Austria ... Sch. 15	Italy .... L 1100	Portugal ... Esc 65
Bahrain .. Din.0.650	Japan Y550	S. Arabia . Rls 8.00
Belgium ... BFr.35	Jordan ... Fils.500	Singapore . S$ 4.10
Canada .. C$2.50	Kuwait ... Fils.500	Spain ..... Pts 95
Denmark . Dkr.7.00	Lebanon .. £L 6.00	Sri Lanka ... Rup 30
Egypt .... E£1.00	Luxembourg . LFr.35	Sweden ... Skr 6.50
Finland .. Fmk 5.00	Malaysia .. Rin 4.25	Switzerland . SwFr 2
France .. FFr. 5.00	Mexico .. Pes. 380	Taiwan ... NT $65
Germany . DM 2.00	Morocco .. Dh 6.00	Tunisia .. Din 0.600
Greece .... Dr 60	Netherlands . Fl 2.25	Turkey .... L 160
India .... Rup 15	Norway . Nkr 6.00	U.A.E ... Dh 6.50
Indonesia . Rp 2500	Philippines Pes 20	U.S.A. $1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,084

Friday May 27 1983

Down-home style for U.S. summit, Page 4

NEWS SUMMARY

GENERAL

Greece protests at U.S. aircraft

Greece yesterday protested to the U.S. about alleged violations of its airspace by American aircraft and said the incident, the second in a week, could jeopardise talks on the status of U.S. military bases in Greece.

Foreign Under-Secretary Ioannis Kapsis said that five aircraft taking part in Nato's Aegean exercise Distant Drum entered Greece's flight information region five times on Wednesday.

Last Friday, Greece protested to the U.S. and Turkey over alleged violations of its airspace by joint formations from the two countries during the same exercise.

Turks go into Iraq

More than 2,000 Turkish troops moved 30 km into Iraqi territory, apparently to fight Kurdish guerrillas. One report said Iraq permitted the action.

Japan tidal wave

Schoolchildren playing on a beach were among nearly 100 people killed or missing after an earthquake threw a three-metre tidal wave against Japan's north-western coasts.

Nile toll at 317

The death toll in the fire that gutted a ferry on the River Nile 300km south of Aswan was feared to have reached 317.

U.S. adviser shot

Guerrillas shot dead Commander Albert Schaufelberger, deputy chief U.S. adviser to the El Salvador Government, while he was sitting in his car in San Salvador. Page 4

Strike in Moscow

Soviet workers building a new U.S. Embassy in Moscow walked off the site because they said X-ray equipment used to examine girders for cracks was a health hazard.

Police chief accused

Police chief Gualtiero Medici of Lugano, Switzerland, is to be prosecuted for passing to an Italian magazine secret documents on an associate of banker Roberto Calvi, found dead in London last year.

Starfighter questions

West Germany's Green Party demanded a government explanation of Sunday's Canadian Starfighter crash, which killed five West Germans in their car and injured three.

Nazi admits killings

Former Nazi SS officer Heinz Barth, 62, on trial in East Berlin for war crimes, admitted volunteering for a firing squad that killed four civilians in Czechoslovakia in 1942.

Bloemfontein bomb

A bomb under a car exploded in the centre of the Orange Free State capital of Bloemfontein, South Africa. No one was hurt. Page 3

Italy general strike

Italian industry is due to shut down for at least four hours today as a result of a general strike. Page 2

Briefly . . .

Iceland's premier will be Steingrimur Hermansson, 54, leader of the Progressives.

French dockers went on 24-hour pay strike.

Louise Weiss, a member of the European Parliament, died aged 90.

Turkey legalised abortion.

BUSINESS

German steel pipe group declines

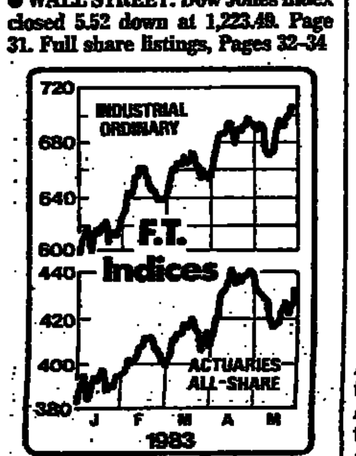
● **MANNESMANN**, the West German steel pipe and mechanical engineering group, reported world turnover down 21 per cent to DM 2.9bn ($1.16bn) in the first quarter and a sharp fall in net earnings. Page 18

● **STERLING** added 1.45 cents to close at $1.60. It rose to DM 3.995 (DM 3.95), FFr 11.9725 (FFr 11.845), SwFr 3.32 (SwFr 3.29) and Y378.75 (Y375). Its trade-weighted index was 86.6 (85.8). In New York, it closed at $1.6035. Page 38

● **DOLLAR** climbed to DM 2.495 from DM 2.49, to FFr 7.4835 (FFr 7.471), SwFr 2.074 (SwFr 2.0725) and Y236.55 (Y236.4). Its trade-weighted index was 123.1 (123). In New York, it closed at DM 2.4985; FFr 7.4965; SwFr 2.0775; and Y236.75. Page 38

● **GOLD** fell $0.75 in London to $440. In Frankfurt it fell $2 to $440 and in Zurich $3 to $439.5. In New York the Comex June settlement was $437.3. Page 35

● **WALL STREET**: Dow Jones index closed 5.52 down at 1,223.49. Page 31. Full share listings, Pages 32–34



● **LONDON**: FT Industrial Ordinary index gained 5.6 to reach a new peak of 706.2. Government Securities gained a point on longer issues. Page 31. Financial Times Share Information Service, Pages 36, 37

● **TOKYO**: Nikkei Dow index rose 43.66 to 8,626. Stock Exchange index put on 3.68 to 636.86. Page 31. Leading prices, other exchanges, Page 34

● **CHINA** will increase World Bank borrowing from $600m to $1bn next year.

● **EEC** talks on membership for Spain failed to agree a revised Mediterranean farm policy. EEC tariff talks, Page 18

● **EGYPT** and the Soviet Union signed their first trade agreement since 1977.

● **JAPAN'S** exports of video tape recorders to the EEC fell to 259,000 in April, 45 per cent down on March.

● **POLISH** report said the country's failure to use Western credits raised in the 1970s was the cause of present balance-of-payments problems.

● **SPAIN'S** biggest industrial group INI expects to lose Pta 80bn ($580m) this year. Page 19

● **SWISS** watch makers Asuag and SSIH have received a financial package of SwFr 658m ($318m) from a consortium of eight banks to support their merger. Page 30

● **BROKEN HILL** Proprietary, Australia's biggest company, is raising A$99m ($87m). Page 20

● **PREUSSAG**, the West German metals, energy and transport concern, is maintaining its dividend despite a 35 per cent decline in earnings to DM 93.3m ($38.7m). Page 19

● **PLESSEY**, the UK electronics group, lifted pre-tax profits by 31 per cent to £146.4m ($234.2m) in the year to April 1. Page 20; Lex, Page 18

Heavy U.S. trade deficit should help allies says Reagan

BY ANATOLE KALETSKY IN WASHINGTON

President Ronald Reagan predicted yesterday that the U.S. would have a trade deficit this year of between $55bn and $60bn and said this was "an indication of the penalties the U.S. has suffered as a result of the strong dollar."

But he maintained that this trade imbalance – which compares with a deficit of $36bn last year – should be of benefit to "all our allies" and that the strong dollar would help to extend the current economic recovery in the U.S. to other countries.

The President, in an interview especially arranged for broadcast to the six other countries which will be represented at this weekend's economic summit in Williamsburg, also tried to allay fears that the U.S. was embarking on an arms race aimed at acquiring nuclear superiority over the Soviet Union and declared his firm opposition to protectionist pressures from U.S. public opinion and the Congress.

Mr Reagan repeatedly referred to the benefits which the rest of the world would gain as a result of the U.S. recovery. He insisted that the U.S. was "not ignoring our economic responsibilities," to the rest of the world by allowing the dollar to strengthen, as the French Government in particular has claimed.

"We did not ask for a strong dollar – it came about as a result of our success in reducing inflation in comparison with other countries," the President said. Although the U.S. "would like to have a better trade balance" in the future, the strong dollar and big trade deficits were helping other countries, while "stability in currencies must come from greater equality in inflation rates worldwide."

Mr Reagan said there was a misperception that the U.S. was interested in a trade war with the Soviet Union. "We are not at all," the President said, noting that the two countries are about to begin negotiations for a long-term grain agreement.

Mr Reagan said that half of the U.S. deficit was the result of the recession, and the remainder was caused by structural factors, such as the decline of heavy industries and the emergency of high-technology businesses.

Responding to insistent questioning about an issue in the forthcoming British elections – the ultimate control of U.S. nuclear weapons based in Britain – President Reagan said that there was "an understanding" between the U.S. and British governments, giving both sides a "sort of veto power" over the use of nuclear weapons on British soil. He added that the U.S. "never acts unilaterally on this."

Mr Reagan reiterated his "total commitment" to nuclear arms control and, ultimately, "the total elimination" of these "horrible weapons". But, in the meantime, the Soviet Union was killing women and children and using chemical weapons in Afghanistan and Kampuchea and he would not ignore this or remain silent "as the world did for too long when Hitler was coming to power".

The U.S. had no wish to gain nuclear superiority over the Soviet Union, however. In fact it would be "destabilising if we sought what the Soviets might view as the potential for a first strike" against them, the President said.

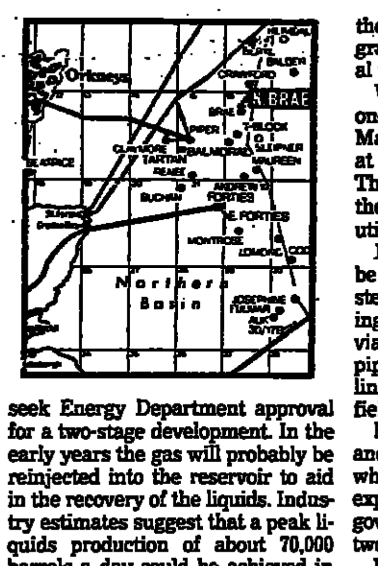
The President also went out of his way to express his admiration for Mrs Thatcher

Williamsburg tailor-made for Reagan, Page 4

Marathon Oil to lead £1bn N. Sea project

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

A NORTH SEA exploration consortium with European and North American interests, led by Marathon Oil of the U.S., is about to start a £1bn ($1.603bn) development of the UK's first condensate (very light oil) field.



Partners in the Marathon group are expected to meet within the next few weeks to give the go-ahead to the exploitation of the North Brae field, 180 miles north-east of Aberdeen. Although the field has only moderate reserves by the standard of early UK discoveries, it will require one of the most sophisticated production systems installed in the North Sea.

Consequently, the development could cost well over £1bn in money-of-the-day terms and it could be 1988 before the field is on stream.

North Brae, located in licence block 16/7, contains a mixture of condensate and natural gas. Stockbrokers Wood, Mackenzie estimates that the Marathon group should be able to recover between 150m and 200m barrels of liquid condensate and 850bn cubic feet of dry gas.

It is likely that Marathon will seek Energy Department approval for a two-stage development. In the early years the gas will probably be reinjected into the reservoir to aid in the recovery of the liquids. Industry estimates suggest that a peak liquids production of about 70,000 barrels a day could be achieved in this way.

The proposed marketing arrangements for this very light oil are still unclear. The Marathon group could mix the liquid with heavier North Sea crude oils and sell the fuel to refiners. Alternatively, it could sell the condensate either as a high-grade liquid fuel or as a raw material for chemical manufacturing.

Wood, Mackenzie believes that, once the field is largely depleted, Marathon will produce natural gas at rates up to 230m cubic feet a day. This gas will probably be fed into the British Gas Corporation distribution system.

North Brae will almost certainly be exploited by means of a fixed steel platform with the liquids being transported ashore to Scotland via British Petroleum's Forties field pipeline. The facilities will be linked to the nearby South Brae oil field

North Brae is one of at least 17 oil and gas development projects which the Department of Energy expects to be submitted for formal government approval over the next two years.

Interests in North Brae are: Marathon (38 per cent), Britoil, of the UK (20), Bow Valley, of Canada (14), Kerr-McGee, of the U.S. (8), BC Resources, of Canada (7.7), Louisiana Land and Exploration, of the U.S. (6.3), Sovereign, of the UK (4), and Saga, of Norway (2).

People Express gets go-ahead for £99 transatlantic fare

BY LYNTON McLAIN IN LONDON

PEOPLE EXPRESS, the U.S. airline owned by its workers and managers, yesterday won permission from the UK Government to start its £99 ($158) flights between London and New York immediately.

The single bookable fare offered by People Express is the lowest offered by any scheduled airline on the north Atlantic route. The airline already had 9,850 advanced bookings for its five-times-a-week service before yesterday's decision. It will also offer up to 44 seats on each flight at the "premium" fare of £291 single.

The first flight, a 747 from Newark, New Jersey, is scheduled to land at Gatwick airport at 6.55 am this morning with a full load of 434 passengers. The return flight is also fully booked and will take off at 10.25 am.

British Airways' cheapest fare, from London Heathrow to New York's John F. Kennedy airport, is £175 ($280) standby single and £190 economy single. The economy fare goes up next month for the summer season to £218.

"We have never objected to the People Express plan, nor do we intend to compete on fares," British Airways said last night. "But we will compete with any low fares introduced by any of the major scheduled airlines." BA did not think People Express posed a threat, because of its limited frequencies and the different nature of the service, where passengers pay on board for tickets, all refreshments and in-flight services and have to carry their baggage to the aircraft.

The application to fly into London by People Express became embroiled in talks this week between the UK and U.S. governments over air fares. Britain wanted assurances from the U.S. that a licence for the new service would not expose competing British airlines, which cut their fares to match those of People Express, to anti-trust action by the U.S. Justice Department.

The UK Trade Department feared a repeat of recent anti-trust actions in the U.S. against British

Continued on Page 18

Paris air show, Page 4; Editorial comment, Page 16

World Bank in warning on trade barriers

By Dina Thomson in London

PRESENT TRENDS towards increased protectionism risk causing a downward spiral in the world economy "with catastrophic consequences for the developing countries," the World Bank warns.

A confidential draft of its World Development Report, due to be discussed by the bank's executive directors early next month, considers three possible courses for the world economy over the next 12 years, depending on whether direct action is taken by both industrial countries and the developing world.

In the worst case, the report says it would be difficult to forestall a global crisis if the industrial countries' recovery were to taper off into a decade of slow growth. To achieve the best case, which envisages gross domestic product of industrial countries growing by 5 per cent annually, governments must take action to liberalise trade, adjust to changing comparative advantage and follow concerted policies to sustain economic recovery.

The bank believes that while the world economic recovery may be underway, the poorest countries still appear to be on a downward slide. It expresses deep concern for countries too poor to borrow.

In its statement – the political challenge is first to halt and then to reverse the drift towards protectionism – the report reflects the message taken over the past two months by Mr A. W. (Tom) Clausen, the World Bank president, to each head of Government attending the Williamsburg economic summit this weekend.

Mr Clausen has emphasised the need for at least maintaining trade and financial flows – both official and commercial. He also urged that government aid be concentrated on the poorest countries.

In its worst case, the bank staff's report assumes that industrial countries will manage to grow by only 2.5 per cent a year between 1985 and 1995 as they fail to tackle their "structural problems" and protectionism increases.

Such slow growth would also lead to a further curtailment of capital flows to developing countries, the report forecasts. A "moderate" assumption of a 15 percentage point increase in the average tariff of industrial countries – much less than protection increased by in the 1930s – is assumed. That would result in a fall in GDP of 0.8 per cent annually in the low-income oil importers, 3.4

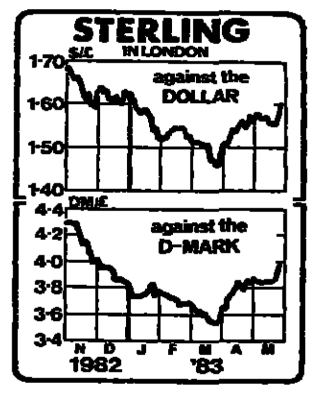
Continued on Page 18

Editorial comment, Page 16; Lombard, Page 17

Tory election prospects take £ to year high

BY JEREMY STONE IN LONDON

PRE-ELECTION enthusiasm on the foreign-exchange markets yesterday swept the pound to its highest level since early last December. Sterling's external value has risen by almost 3 per cent this week.



In brisker trading than dealers had seen for some time, with heavy commercial buying, the pound gained very nearly 5 pfennigs to close in London at DM 3.995, with some banks quoting sterling slightly above the psychological landmark rate of DM 4, last exceeded at the London close on December 2.

The pound also gained 1.45 cents against a firm dollar, to finish in London at $1.60. Sterling's effective rate, measured by the Bank of England against a trade-weighted basket of currencies, ended the day at 86.6 (1975 = 100).

In New York, sterling closed at $1.6035.

The performance extends the recovery since sterling's low point in March to 11 per cent, with the rebound against European currencies playing a greater part than the expected appreciation against the dollar. The pound has risen 10 per cent in dollar terms, compared with a rise of 13 per cent against the D-Mark, since March 24.

At its deepest, sterling's fall was equivalent in March to a devaluation of nearly 15 per cent, raising the prospect of accelerating inflation in the UK but also greatly increasing the potential sales and profitability of British exporters. With two thirds of the devaluation undone, neither prospect is now as vivid.

The markets were drawing parallels yesterday between sterling's strong run this week and the strength of the D-Mark before the

Continued on Page 18

Money Markets, Page 31; Lex, Page 18

Labour fails to cut Thatcher poll lead

BY PETER RIDDELL, POLITICAL EDITOR

THE BRITISH Labour Party's campaign to win the UK general election on June 9 looked in disarray last night as its leadership remained divided and on the defensive over its non-nuclear defence policy.

Halfway through the election campaign, Labour, the main opposition party, has failed to reduce the large lead in the opinion polls held by the Conservatives. The latest poll, taken by Marplan for The Guardian newspaper, gives the Conservatives 47.5 per cent and Labour 32.5 per cent. The party's divisions on defence are adding to its difficulties.

Labour's lack of confidence was shown by a startling intervention at the party's election press conference yesterday by Mr Jim Mortimer, Labour's general secretary.

He said that labour's campaign committee "were all insistent that Michael Foot is leader of the Labour Party, speaks for the party and we support the manifesto (policy document) of the party."

This surprising need to confirm Mr Foot's leadership, only a fortnight before polling, follows a speach by Mr James Callaghan, the former Labour Prime Minister, in which he dissociated himself from Labour's unilateral defence policy.

Last night Mrs Margaret Thatcher, the Prime Minister, said Labour's muddle over nuclear disarmament made war more likely. Labour, she said, had got it "dangerously, desperately" wrong over defence.

The Marplan poll found that while the majority of voters were opposed to Trident and cruise missiles, nearly two thirds believed that Britain's existing Polaris submarines should be maintained.

Election news, Page 7; UK welfare state, Page 16

CONTENTS

EUROPEAN NEWS

Crisis-regulated steel production quotas set to fall

By Paul Cheese right in Brussels

PRODUCTION quotes for more than half the EEC steel subject to crisis regulations will be lower in the third quarter of this year than in the second, according to provisional figures worked out by the European Commission.

Meanwhile the Commission has approved an Italian Government plan of financial support costing up to L700bn (£299m) for the re-structuring of the private Italian steel industry.

The quotas worked out by the Commission will come into effect only if EEC ministers on June 16 approve the extension beyond the end of next month of the system of controls aimed at sheltering the industry while it is nursed back to profitability.

But the quotas are being circulated as an aid to planning production and shipment levels. The overall figure for production at 14.65m tonnes is slightly lower than that for the current quarter – 14.97m tonnes – although nearly 1m tonnes more than that for the first.

Although signs of economic recovery have begun to multiply, little change in the sluggish nature of the steel market is thought likely until the last quarter of the year.

EEC ministers have approved in principle the extension of the quota – and minimum price – regulations after the end of June. But they have not yet decided whether the present system of application should be changed to reflect restructuring in the industry that has already taken place.

By the end of June the Commission is supposed to have ruled on the permissibility of subsidy plans for domestic steel industries. Subsidies are being allowed provided they are linked to plans for cutting back capacity and modernisation.

The Italian decision has been taken in that context. The capacity reductions planned in the Italian private sector are 2–2.5m tonnes.

EEC STEEL PRODUCTION QUOTAS 1983
(thousands of tonnes)

Category	3rd quarter (provisional)	2nd quarter	1st quarter
Ia Hot rolled wide strip	3812	3673	3465
Ib Thin sheet	3366	3289	2770
Ic Galvanised sheet	842	884	780
Id Other coated plate	655	684	600
IV Wire rod	2072	2426	2310
V Reinforcing bars	1710	1761	1640
VI Merchant bars	2196	2262	2225

Vredeling directive held up in EEC

By John Wyles in Brussels

ADOPTION by the European Commission of the controversial "Vredeling" Directive on worker consultation and information is being delayed by last minute internal disagreements. This is the second major proposal for industrial relations legislation to be held up by late challenges within the Commission.

Mr Ivor Richard, the Social Affairs Commissioner, who is responsible for piloting the Vredeling Directive through the Commission, had been hoping for its formal adoption on Wednesday of this week. But in a late intervention on Tuesday, his colleague, Herr Karl Heinz Narjes, raised a major point of principle over the election of worker representatives.

The draft which Mr Richard favours would leave it to member states to decide how employee representatives would be chosen for involvement in the information and consultation arrangements envisaged by the directive.

But the European Parliament, in its opinion of last November called for the election of representatives through secret ballot. This is opposed by British trade unions whose support Mr Richard is anxious to retain for the draft directive.

Herr Narjes has lined up alongside the European Parliament and is urging the use of a secret ballot together with a clear limitation on the right to vote to those employees in the undertakings covered by the directive.

The German Commissioner's tactic is reminiscent of that used by Mr Frans Andriessen, the Competition Commissioner, which has delayed by about six weeks adoption by the Commission of the draft directive providing for worker participation in the running of public companies.

This directive, the Fifth Company Law Directive, is Herr Narjes' responsibility. He and his staff now believe that it will be adopted before August once some drafting changes have been carried through. Unlike Vredeling, the Fifth Directive would require the election of worker representatives involved in participation systems by secret ballot and proportional representation.

Image problem for Spain's 'super minister'

BY DAVID WHITE IN MADRID

THE NEAREST thing Sr Miguel Boyer, the Spanish Finance Minister, has to a public image was on show at his televised Press conference on the day the Socialist Government expropriated the private Rumasa business empire.

No grand inquisitor could have been more coldly condemnatory—without flourishes, almost without expression, and without tripping over a single detail or word.

This backroom moderate, born with a silver spoon in his mouth, connected with the "beautiful people" of the career jet-set, and with known social democratic leanings, was taking the most bold action of Spain's first Socialist Government for over 40 years, more radical than anything in the party manifesto. Party members suspicious of his background were quietened.

Spanish and foreign businessmen were also reassured that the expropriation was above board and in the interests of good discipline and orthodoxy. One of the elders of the banking community, the 79-year-old Sr Emilio Botin, chairman of Banco de Santander, even sent a note to congratulate Sr Boyer on his performance.

But although the action cemented beyond doubt the position of Spain's "super-minister" — he runs the three departments of Economy, Treasury and Trade from behind the portrait gallery in Madrid's gloomy Finance Ministry — his aides still feel that Sr Boyer's image needs touching up.

The 44-year-old Minister is not generally reckoned to be good in public. "He is more of a man for poring over dossiers and making decisions than for public appearances," says a close subordinate.

In the first Cabinet photographs, he is at the back, head above the others, looking away distractedly. He rarely smiles. People find him aloof, impetuous at times, with moments of bravado.

Not a liker of compromises, his background smacks of a certain impatience: a twin university career in physics and economics, a succession of public and private sector posts never lasting more than three years or so, and a tumultuous association with the Socialist Party, which he joined at the start of the 1960s, before most of his colleagues. He once spent six months in Carabanchel jail as a result of his political allegiance.

He opposed the party's Marxist line before the party itself dropped it and quit in 1977 to co-found a short-lived social democrat party; he rejoined and stood for Parliament in 1979, only to give up his seat shortly aftrewards—"out of boredom"—to go to work at the Bank of Spain.

His presence and power in the Government are due to his closeness to Sr Felipe Gonzalez, the Premier, which dates back to the secret meetings he arranged for the young Socialist leader in his smart Madrid home.

A "Frenchified" Spaniard, Sr Boyer was born in France at the end of the Spanish civil war, went to school at Madrid's French Lycee and likes showing off his command of the language. He is nonetheless quick to distance himself from French socialism.

Sr Boyer (right) leads colleagues into the Rumasa Press conference.

From the experience of the Mitterrand Administration he says: "We have learnt little. But we have confirmed our own ideas." He takes a critical view of ambitious programmes such as nationalisation.

"The structural reforms we are considering are of a different nature. They are reforms to modernise the Spanish economy, reforms to give it more flexibility and to bring it closer to the economies of Western Europe."

Although he has recently sounded a warning about excessive wage rises, Sr Boyer rejects alarmist views of the economy as a symptom of "systematic Spanish pessimism." Job losses, he is confident are diminishing ("no merit of the Government's," he adds), the inflation rate is decelerating from last year's 14 per cent, the money supply is on target (13 per cent as against 16 per cent), and the current account deficit is forecast at between $2.6bn and $2.76bn, a third lower than last year.

He rebuffs those who believe the Government's objective of 5 per cent real growth in exports is pie-in-the-sky. "It is one of the aims I am most sure about," he claims.

Last year, Spanish exports grew, while world trade shrank. This year, in a more favourable climate, depreciation of the peseta should ensure "a very strong increase" in competitively.

Sr Boyer's first full budget, now on its labourious way through Parliament half-way into the year it applies to, aims by cost-cutting to reduce the state deficit from last year's high level of 6 per cent of Gross Domestic Product—or at least, not to exceed it.

Private-sector economists fear the deficit may keep rising. Sr Boyer says that by cutting down too substantially in one year, or by clamping down on consumption, the Government would be inviting economic depression.

"The good year for cutting the deficit isn't a crisis year," he says. He rejects arguments put forward for a Draconian "stabilisation" plan, at least for now. The Government set out to maintain real wages this year, he says, conceding that, with low growth, "the situation of companies will not improve." He argues, the corporate sector will get its pay-off in succeeding years.

"Just as this year we have defended the principle of maintaining the purchasing power of wages, so in future years we will defend the principle that they should be simply maintained and no more, so that the surplus can create jobs and companies can start investing again."

In the interim, the Government has to take on a series of delicate but essential reforms of Spain's rigid labour market rules, of the costly but poor social security system, and of the fund-draining nationalised sector.

The initial years will be busy, Sr Boyer says, with hardly enough of a glitter in his eye to convince the listener he is not totally serious, but "I am afraid that later on we may get bored in Government."

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Farm talks deadlocked

BY LARRY KLINGER, IN BRUSSELS

THE POSSIBILITY of any substantial progress before the autumn in the EEC's negotiations with Spain over key agricultural issues receded again yesterday when the European Community ended a second day of fruitless talks aimed at revising its Mediterranean farm policy.

Revamping the rules governing aid and marketing arrangements for such southern produce as fruit, vegetables and olive oil is a vital prerequisite for negotiating the planned enlargement of the Community to include Spain and Portugal.

Yet the EEC's Council of Agriculture Ministers yesterday was unable to do no more than set up a working party

The Ministers again confined themselves to repeating their long-standing positions on virtually all the outstanding issues, thus prolonging a deadlock that has already lasted more than 18 months.

The most optimistic reading of this week's discussions was given by Herr Ignaz Kiechle, the West German Minister and current Chairman of the Council, who said that by defining the options and laying down specific cost estimates, there "could be a step towards an important breakthrough" at the next European summit in Stuttgart

Italy shutdown expected today

ITALIAN industry is due to be shut down for at least four hours today as a result of a general strike called by the unions to protest against the failure of employers and unions to agree on new wage contracts, **James Buxton writes from Rome.**

In addition to civil service, banks, public transport and other public services are expected to go on a two-hour strike in support of their industrial colleagues.

In all some 14m people have been called out in support of more than 5m workers who have yet to conclude new wage agreements

French blow hard on sparks of recovery

BY DAVID HOUSEGO IN PARIS

1983 SUMMIT OF INDUSTRIALIZED NATIONS

BETWEEN the student demonstrations in Paris this week and the Williamsburg summit, there may seem no obvious connection. French officials think otherwise.

M Claude Cheysson, the Foreign Minister, believes for one that at the root of the university troubles lie the strains of a society in which low economic growth and thus insufficient jobs for graduates has created a restless intellectual proleteriat.

The strains are far worse in the Third World where unemployment is higher and the backlog of debt checks expansion. But they also effect East-West security issues because continuing recession could sap Europe's readiness to stand up to the Soviet Union.

Hence, as the French see it, the central problem before the Williamsburg participants is to ensure that the first glimmer of economic recovery is translated throughout the world into durably higher rates of growth.

In contrast to the hopeful noises from the U.S. that the end of the tunnel is in sight, the French think the crisis is "worse than ever." This partly reflects the difficulties of France's present position as well as the pessimistic streak of character in several French leaders, including President Francois Mitterrand, M Cheysson and M Jacques Delors, the Finance Minister.

But M Cheysson's fear is that, if the present recovery proves short-lived, the consequences everywhere will be dramatic. It would cause despair in the Third World and raise doubts whether market economies can deal with the problems of today.

It is from this starting point that the French have been trying to rally both their European partners and other Socialist governments towards concerted international action to achieve higher grow rates. From the same base have sprung M Mitterrand's proposals for an international conference to work for stabler international monetary system.

The French believe there will be no durably higher growth rates until there is greater stability of exchange rates. They fear that the sharp fluctuations of the dollar put at risk the future of the EMS — a fear heightened this week with the dollar again breaking new records against the franc.

They think this is no bad moment to be pressing the U.S., as President Ronald Reagan's administration is determined, for domestic political reasons, that Williamsburg should be a success.

But they are keeping quiet about how much arm twisting they are prepared to resort to get their way.

● Former President Giscard d'Estaing drove into the Elysee Palace yesterday for his first talk with President Mitterrand since his electoral defeat in May, 1981. Their one and a quarter hour conversation was held in the context of M Mitterrand's talks with political and union leaders before the Williamsburg summit.

M Giscard said yesterday he favoured a progressive return to stable exchange rates but thought it premature to call an international monetary conference.

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Thorn hopes for pledge on budget deficits

BY OUR BRUSSELS CORRESPONDENT

THE summit will aim at a greater convergence of fiscal and monetary policies, in the view of M Gaston Thorn, president of the European Commission.

M Thorn, who takes part in the Williamsburg meetings as of right, forecast that the participants would demonstrate some unity of view on macro-economic policies. The meeting could well produce a commitment to reduce the size of budget deficits and to aim for more complementary monetary policies to help stabilise exchange rates.

The statement on budget deficits, if it materialises, will be regarded by the four European heads of government present as a useful commitment by the Reagan Administration to scale down the U.S. federal deficit. The prospect of a $200bn deficit in 1986 is an important factor behind the high interest rates in the U.S. which the Europeans fear will choke off the emerging economic recovery in the West.

M Thorn's low key assessment of the prospects is in line with others coming out of European capitals. There are few expectations of any significant progress towards a more co-ordinated approach to economic recovery, although there is a keen realisation of the need for the summit to strengthen confidence that the recovery can be sustained.

The commission president appeared less optimistic about agreement between the U.S. and Japan on the one hand, and the Europeans on the other, about the correct response to the Third World debt problem. The EEC favours putting more resources at the disposal of the IMF and the World Bank. The feeling in Washington is that the elimination of protectionist policies will make a greater contribution to solving the plight of developing countries.

Strauss plays it cool with CDU

BY JAMES BUCHAN IN BONN

HERR Franz-Joseph Strauss, chairman of the Bavarian Christian Social Union in the Bonn coalition, yesterday elegantly declined a confrontation with his increasingly pugnacious partners in government.

Brazening it out at the party congress of Chancellor Helmut Kohl's Christian Democrats (CDU) in Cologne yesterday, he played down the evident differences of opinion between his brand of right-wing conservatism and the more moderate line of the CDU allied with the liberal Free Democrats (FDP).

The CDU has been showing signs of growing irritation at Herr Strauss's attempts from Munich to push through "change"—a move to the right—on issues ranging from relations with East Germany to law-and-order.

His approach has been to vilify the FDP, which he still appears to resent strongly for depriving him of a place at Herr Kohl's right hand—or perhaps a little above it.

Although Herr Kohl has no desire to humiliate the Bavarian and lay up more trouble for his coalition, he drew thunderous applause on Wednesday when he told the party congress that government politicians should give up "self-seeking squabbles." In a remark that could only refer to the constant outbursts from Munich, he reminded his listeners that "the Federal Government has its seat in Bonn."

Moreover, delegates voted for a motion, introduced by the Chancellor, that the CDU might, if the executive decided, contest elections throughout the country. This means that the CSU, if it does not behave itself, could face CDU competition within the sacred precincts of Bavaria

Whatever Herr Strauss felt about this veiled threat, he immediately disarmed opposition that was spoiling for a fight by confining himself to asking the FDP to accept "moderate corrections" in relations with East Germany, security policy, divorce, abortion and law-and-order, and demanding the establishment of a co-ordinating committee from the three coalition parties

Meanwhile, in the sanctuary of Munich, the Bayern Kurier, a newspaper Herr Strauss owns, was damning Herr Hans Engelhard, the FDP Justice Minister, for supposedly sabotaging an attempt to push through a law tightening up the right of public assembly in time for expected demonstrations against Nato missile deployment in the autumn.

Allegations in Italy over dioxin scandal

By James Buxton in Rome

THE SCANDAL over the export of toxic waste from the Seveso disaster in 1976 has had its first potentially serious reaction in Italy, whence the 41 barrels of dioxin were last year transferred to France.

Senator Luigi Noe, the special commissioner appointed by the Lombardy regional government to look after the rehabilitation of Seveso, stricken by the escape of dioxin, has been warned by magistrates of possible charges of peculation and having a private interest in official matters in connection with the transfer.

The senator denies the allegations.

Dutch react strongly to proposed welfare cuts

BY WALTER ELLIS IN AMSTERDAM

TRADE UNIONISTS and employers' representatives in the Netherlands have reacted angrily to a proposal by the Dutch Centre-Right Government to reduce unemployment and disability payments by between 9 per cent and 19 per cent from next January.

The Government, which is increasingly strapped for cash in the wake of falling sales of Dutch natural gas and market indifference to state bonds, hopes to save Fl 5bn ($1.8bn) in the next three years by cutting benefits paid to those adults up to the age of 65 who are not in employment.

The main employers' federation, the VNO, said the proposal would mean benefits would become "totally inadequate." A joint statement from the FNV and CNV trade union federations said the effect on the weakest members of society would be unacceptable.

Even some Christian Democrat MPs, whose party is the senior member of the governing Centre-Right coalition, are unhappy about the plan, introduced in Parliament on Wednesday evening. Several are concerned that the cuts would leave certain categories below the poverty line.

At present the statutory minimum wage for a married man aged between 23 and 64 is Fl 1,467 ($528) per month. If that man should become unemployed under current regulations, he would be paid Fl 1,174 for six months and Fl 1,100 for a further two years before going on to standard "dole" payouts based on age, marital status, and number of children. A disabled person, if married and aged between 22 and 64, would receive a steady 80 per cent of the minimum wage.

Under the new scheme the benefits such persons could expect would fall quite sharply, and in the case of a high income earner, possibly with a mortgage, who happened to lose his job, the drop could be measured in several thousand guilders a year.

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OVERSEAS NEWS

Japan's central bank digs in heels over interest rates

BY JUREK MARTIN IN TOKYO

THE BANK of Japan is still digging in its heels against political pressure to cut interest rates because of what it sees as the potentially adverse economic consequences of further depreciation of the yen.

In a detailed policy speech in Tokyo yesterday, Mr Haruo Maekawa, governor of the central bank, said: "The beneficial impact (on the economy) of lowering interest rates will be slow to materialise whereas the economic risks of a weaker yen are much greater."

Yesterday the yen closed at 236.30 to the U.S. dollar, a fall of more than Y5 since U.S. interest rates began to firm last week. Mr Maekawa said this valuation was too low, especially in view of Japan's growing current account surplus, which this year could easily double the $6.9bn surplus of 1982.

He maintained that both monetary and fiscal policy afforded little room for manoeuvre. A weak yen, he went on, would push up the price of imports, reduce corporate profits and thus depress investment further, and intensify trade friction, all to Japan's detriment.

In pursuing a strong yen, "we must not increase interest rate differentials between Japan and the U.S." The Japanese discount rate has stood at 5.5 per cent since December 1981.

Mr Maekawa described the Japanese economy as "disappointingly sluggish," with few signs of demand pull. Both industrial production—up only a modest 0.1 per cent in April over March—and personal consumption were flat, fixed capital investment had levelled off and even last autumn's brief surge in housing construction had disappeared under the weight of higher interest rates on housing loans.

On the other hand, he felt an economic tailspin was "unlikely." The decline in exports appeared to have halted, inventory adjustment was well advanced and likely to exert no downward pressure on production, while the decline in oil prices had obvious benefits.

Mr Maekawa said he was not opposed to fiscal stimulation, so long as it had no adverse side effects, but he was at a loss to see what, in practice, the government could do, given what he saw as the overriding need to put its own financial house in order.

The national deficit, as a proportion of gross national product, was, he went on, much higher than in both the U.S. and West Germany, while the traditionally high rate of Japanese personal savings simply did not constitute an offsetting cushion.

Australian protest over French nuclear test blast

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian Government has made a strong protest to Paris over yesterday's French nuclear test blast at Mururoa Atoll, in the Pacific. A seismological monitoring station in New Zealand said it rated the device as far larger than any previous test.

Mr Bob Hawke, the Australian Prime Minister, will raise the matter when he meets President Francois Mitterrand of France in Paris early next month.

"If they are determined to test these things, let them test the damn things in the Atlantic or Mediterranean or mainland France. But let them keep out of our backyard," said Mr Bill Hayden, Australia's Foreign Minister.

In the 1970s, when he was President of the Australian trade union movement, Mr Hawke led international opposition to French nuclear atmospheric testing.

Australia yesterday appointed an ambassador for disarmament to Geneva.

Mr Hayden said that yesterday's explosion at Mururoa went "well beyond a trigger device."

It was the 42nd blast since France began underground tests in 1975.

The explosion jolted monitors in the Cook Islands and Wellington.

France's biggest test blast was one of about 140 kilotonnes in July 1979. A 70 kilotonne bomb was detonated last year.

Explosion rocks Bloemfontein

BLOEMFONTEIN—A bomb exploded in the centre of the Orange Free State capital yesterday causing damage but no injuries, the security police said.

The bomb was placed under a car near a fabric factory. The building was extensively damaged and windows in other buildings were shattered.

The blast came six days after a car bomb in Pretoria killed 18 people and injured more than 200. The banned African National Congress (ANC) claimed responsibility for the Pretoria explosion, which led to a South African air raid on alleged ANC bases in Maputo in retaliation. Reuter

Banks approve refinance plan for Nigeria

By Peter Montagnon, Euromarkets Correspondent

ABOUT 20 international banks have given their formal assent to a plan to refinance Nigerian trade credit arrears up to $2bn.

This follows an eight-hour meeting in London on Wednesday of some of the banks involved. A formal proposal to refinance the arrears over three years is to be sent to 28 banks which must reply to the plan by next Friday.

The meeting, which was hosted by Barclays Bank, was intended to persuade European banks to join the refinancing proposals agreed by U.S. banks in New York last Friday. The refinancing is expected to bear interest at a margin of 1¼ percentage points over London Eurodollar rates or 1¼ over U.S. prime with repayments beginning after a six-month grace period.

The decision to move on the refinancing has been helped by Nigeria's recent disclosure that it is willing to seek a $2.5bn loan package from the International Monetary Fund.

But settlement of the trade arrears is regarded by creditor banks as an urgent problem.

It is understood that the refinancing proposal will leave open the option for banks to lend additional money to Nigeria in the form of trade credits.

A country that doesn't exist for the West is still in desperate need

Political bias threatens Kampuchea lifeline

BY RICHARD COWPER

AT FIRST GLANCE, rural and urban Kampuchea appears to have made a remarkable recovery from the dislocation of Pol Pot's three-and-a-half-year reign of terror, which at one point seemed to threaten the very survival of the Khmer race.

Phnom Penh's population, reduced to several hundred by the forced expulsion of about 2m people in 1975, is now back to its normal pre-war level of about 600,000. In the countryside new, albeit meagre, thatched huts have sprung up, while the area planted to paddy has expanded dramatically.

A crucial meeting of aid donors is due to be held in New York today. Western aid donors have for some time been arguing that the emergency in Kampuchea is over and most are refusing to make any more donations. But beneath the apparent surface improvement, it is clear that Kampuchea is still in a desperate state.

There is still widespread malnutrition, grinding poverty and a lack of even the most rudimentary health and sanitation facilities. Almost four years after Vietnamese troops rolled into Phnom Penh, Kampuchea's social and economic infrastructure remains shattered and the country has yet to recover from the decade of war before the invasion.

In the once beautiful city of Phnom Penh people wash their food and clothes in open sewers, pigs and poultry stare out from formerly elegant French balconies and rubbish piles up along avenues once noted for their charming but long-gone red flame trees.

At least 25,000 of the city's inhabitants live in squalid poverty, unable to obtain even the barest minimum of food. Half the city's deaths are said to be caused by malnutrition, lack of sanitation and disease.

In the countryside the system remains fragile and unstable. Little progress seems to have been made on the reconstruction of irrigation works to combat the vagaries of the monsoon. At least 500,000 children are suffering from severe to moderate malnutrition which health experts say threatens to lead to widespread mental retardation.

Western aid workers agree that the emergency of 1979 and 1980 is over. One said: "The country is no longer full of walking skeletons." But as the latest United Nations Food and Agriculture Organisation (FAO) report on Kampuchea says: "The damage done from 1970 to 1979 was so ghastly that only imaginative, sustained humanitarian aid covering a wide field of development and over a long period of time, can restore a semblance of normal economic life."

Such pleas seem unlikely to be heeded by the West however, which for political reasons now seems intent on closing down the emergency programme to Kampuchea.

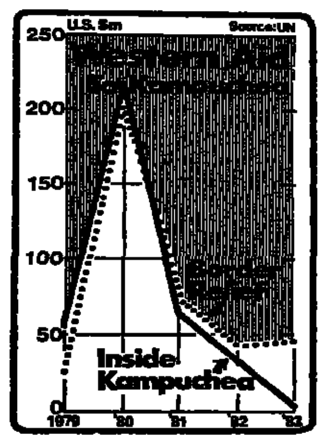
An hour's flight from Phnom Penh in the luxury 15-storey UN building in Bangkok, a stony-faced diplomat, Mr Edward Van Roy, head of the development planning division at the Economic and Social Commission for Asia and the Pacific (Escap), said in response to inquiries about Kampuchea's economy and the need for continued aid: "As far as I am concerned Cambodia just does not exist, so you see there's really nothing for us to discuss."

He is both right and wrong. The current Hanoi-backed Heng Samrin regime in Kampuchea does not have a seat at the UN and is not recognised by the majority of the world community, which has condemned Vietnam's occupation of the country and called for the withdrawal of troops and internationally supervised general elections. Vietnam has shown little sign of releasing its iron grip on Kampuchea.

The West has backed the shaky tripartite coalition led by former Kampuchean Head of State Prince Norodom Sihanouk. This coalition, which includes senior members of Pol Pot's notorious Khmer Rouge regime, controls about 300,000 people near the Thai border and has a guerrilla army now believed to number around 30,000.

Whatever the political realities, the Kampuchean people do exist, and as the country continues to be a battleground for big power rivalry and the self-interest of its neighbours, the inhabitants face the prospect of their vital needs being ignored by both East and West.

Vietnam, itself one of the poorest nations in the world and already drained by the high cost of maintaining its army in Kampuchea, seems incapable of providing the funds and expertise necessary.



The Soviet Union, which claims to have pumped $480m into the country since 1979, appears to have done little other than provide fuel and a few trucks and to refurbish the strategically important port of Kompong Som.

Since 1979 the UN has provided around $350m in emergency humanitarian aid to Kampuchea's estimated 7m people, roughly the same amount as it provided during the same period to the 300,000 Kampucheans living along the border.

Under normal circumstances UN institutions like the World Bank and the Asian Development Bank would step in after the emergency programme had dealt with the initial disaster. But because Kampuchea is not recognised by the UN and because many are bent on punishing Vietnam, Kampuchea now faces the grim prospect of an imminent severance of a vital international lifeline.

Aid workers say that a massive shortage of draught animals and a serious shortage of manpower (women account for around 65 per cent of the country's population) mean that even if there is a good monsoon this year, Kampuchea will still run short of about 130,000 tons of rice at the rock bottom subsistence level of 12 kg per capita per month.

A moderately poor monsoon could easily push this shortfall to over 200,000 tonnes—more than 20 per cent of Kampuchea's estimated 900,000-tonne milled rice crop of 1982. Some of the poorest provinces produced a mere 5 kg of rice per capita per month last year, less than 50 per cent of the required minimum.

For 1983, emergency food aid of 32,000 tonnes of rice from Western donors will be necessary to supplement local efforts, aid workers say. Special feeding programmes of protein and vitamin rich food for malnourished children need to be started immediately.

So far this year, Western donors have pledged around $45m in aid to the refugees along the Thai border but only Sweden (which has pledged $1.6m) has agreed to provide any aid to Kampuchea itself.

Vietnam, the Soviet Union and Eastern Europe should now take over and the UN emergency programme should be closed down, the donors argue. For the West it seems, for the moment at least, there's really nothing to discuss.

PLO military leader defies Arafat's stand on Lebanon valley

KUWAIT — A military leader of the Palestine Liberation Organisation (PLO) was quoted yesterday as defying the PLO's leader, Mr Yassir Arafat, and vowing to stay on in the eastern Lebanese Bekaa Valley to turn Lebanon into a "bridgehead" in a war with Israel.

"Our action does not amount to a mutiny against military orders," said Col Abu Moussa. "We are merely trying to push faulty political action toward rectitude."

Abu Moussa claimed he had hundreds of regulars of the PLO's mainline guerrilla group Fatah under his command in an uprising against Mr Arafat. He ruled out the possibility of war between Israel and Syria in the foreseeable future, however.

● Lebanon's President Amin Gemayel has called for an Arab summit or an extraordinary meeting of the Arab League to explain Lebanon's stand on the Lebanese-Israeli troop withdrawal agreement. The call came in an interview in Beirut with newspaper editors. Agencies

Reserves fall in India

By K. K. Sharma in New Delhi

INDIA'S foreign exchange reserves at the end of 1982-83 stood at Rs 45.66bn (£3.1bn), dropping by Rs 2.55bn over the previous year despite drawings of Rs 18.92bn from the International Monetary Fund's extended financing facility.

According to Finance Ministry figures, this represents an overall fall of Rs 21.48bn in reserves if IMF drawings are excluded, or a monthly average drop of Rs 1.79bn.

The position over the previous year has thus not changed significantly, and reserves are now at the critical level of just four months' worth of imports. At the end of 1981-82, reserves stood at Rs 33.54bn.

South Korean politicians go on hunger strike

SEOUL — Nineteen politicians yesterday joined former opposition leader Kim Young-Sam in a hunger strike to press for the return of democracy in South Korea, Kim's aides said.

Police took Kim, 55 to a Seoul hospital yesterday seven days after he started a hunger strike. His aides said he was refusing food or medical treatment.

Kim was a presidential contender in 1980, but was banned from national politics in May that year by President Chun Doo Hwan and has been under house arrest since June.

Aides said 15 opposition politicians, all members of Kim's now-defunct main opposition New Democratic Party (NDP), yesterday went on hunger strike to support him and were later joined by four others.

The politicians had been under house arrest since Monday when they unsuccessfully tried to hold a meeting in a Seoul hotel to discuss Kim's action

The politicians said in a statement they were joining the protest to back Kim's demands and called on South Koreans to support them in restoring full democracy.

In an earlier statement, Kim urged the release of people jailed for opposition activities, the lifting of constraints on former politicians and a constitutional amendment to allow direct presidential elections.

AMERICAN NEWS

UK links Falkland troop cuts to formal end to hostilities

BY JIMMY BURNS IN BUENOS AIRES

THE THATCHER *Government* has issued Argentina with a veiled but potentially significant hint that it would modify its hitherto tough stance on the Falklands issue in its next five-year term, if re-elected on June 9.

The message was delivered to Gente, the mass circulation weekly magazine by Mr Cranley Onslow, the UK Minister of State for Foreign Affairs, in the first full interview with a senior UK official to be published by the Argentine media since the outbreak of the Falklands war in April last year.

"It is our wish, and one which I am sure is widely shared in this country, to live *at peace with Argentina and to* move towards a more normal relationship. I am not going to predict the outcome of the general election . . . but I doubt whether it will significantly affect this approach," Mr Onslow said.

The Minister criticised the attitude of sectors of the current Argentine military regime *for their continuing refusal to* declare a definitive end to hostilities "which they themselves began," or to renounce the future use of force.

But in an apparent olive branch to a future democratically-elected Argentine Government, Mr Onslow indicated that Britain might consider diminishing its troop presence on the *islands as a basis* for negotiation if and when a formal cessation of hostilities was declared.

Replying to a question on the Thatcher Government's "Fortress Falklands" policy, Mr Onslow denied that the British military presence on the *islands was an offensive* deployment of force and said that it was not a "posture of my Government's choosing."

"Plainly, if the external threat were to be removed and we could be confident that it would not be renewed, this would certainly make it possible for us to reconsider what level of defence would be most appropriate under such changed circumstances."

There was no immediate public response yesterday from the Argentine Government. Sources close to it confirmed, however, that hardline sectors of the armed forces remain opposed to formally declaring hostilities at an end.

However, prospects that Argentina might reciprocate by adopting a more moderate stance, if and when a civilian Government is elected on October 30, improved this week. Sr Leopoldo Tettamanti, a former Foreign Ministry official, has been tipped as Foreign Minister in a future Peronist government, became the first Argen*tine politician to favour* publicly a formal cessation of hostilities.

Sr Tettamanti said that the Peronists should be prepared to lay the ground for a new understanding between Britain and Argentina. "The future elected government (in Argentina) should be prepared to sign a *de jure* cessation of hostilities *linked* to the withdrawal of British troops from the Malvinas (Falklands)," he said.

Hugh O'Shaughnessy writes: A Foreign and Commonwealth Office spokesman yesterday declined to comment on or add to the interview given to Gente by Mr Onslow.

Bill passed to pay for Pershing

● The U.S. House of Representatives yesterday passed a Suplemented Appropriation Bill which included $454m (£288.25m) for the purchase of 91 Pershing-2 medium-range nuclear missiles, Reuter *reports* from Washington.

Nato plans to start installing the Pershing and Cruise missiles in Europe in December unless the Soviet Union agrees to reduce substantially its medium-range missiles.

The Bill, which has yet to be approved by the Senate passed by 309 votes to 82, will prevent many Government programmes from running out of money *before the start of the new* financial year on October 1.

Other measures included $1bn for food aid to the poor and $49m for restoring the Capitol's historic West Front.

First death of U.S. adviser in El Salvador

By Reginald Dale, U.S. Editor, in Washington

THE NEWS of the first killing of an American military adviser in El Salvador on Wednesday seemed certain to increase Congressional and public resistance to U.S. involvement in the Central American conflict.

In his first reaction to the slaying, however, President Ronald Reagan insisted that it would in no way affect the strength of his Administration's commitment to the U.S.-backed right-wing Salvadorean Government.

Although final conclusions had not yet been drawn as to the motives of the killing, or the identity of its authors, there had been indications for some time that the left-wing guerrillas were about to step up *terrorist activities,* Mr Reagan said in a television interview.

Nobody claimed responsibility for the murder of naval Commander Albert Schaufelberger, who was shot four times in the head in his embassy bullet-proof car. The car had the window open as he waited for a friend.

Cmdr Schaufelberger, 33, was the deputy commander of the U.S. military advisers who have been in El Salvador since 1981. The total number of advisers is restricted to 55 under a self-imposed Administration limit, but there are normally fewer than 55 advisers in the country at any one time.

He was the ninth American to die in El Salvador since the start of the civil war, but the first military officer—the others have included nuns, trade unionists, a freelance reporter, and a tourist.

Cmdr Schaufelberger's death followed only a day after an opinion poll showed widespread public discontent with Mr Reagan's plans to step up military aid to the Salvadorean Government, and strong opposition against any move to dispatch U.S. combat troops to the region.

Congress, which is trying to restrict and attach conditions to U.S. military aid to the region, is likely to be particularly sensitive to the officer's death. The outcry, however, would almost certainly be considerably greater if Cmdr Schaufelberger had been killed in combat with the guerrillas, in which U.S. military advisers are strictly forbidden to take part.

Reginald Dale, U.S. editor, in Washington previews the Reagan style in summitry

Toasted goat cheese and briefings in French

MR DONALD REGAN, the U.S. Treasury Secretary, let the cat out of the bag the other day. President Ronald Reagan won't need to mug up the details of the subjects for discussion at the Williamsburg summit, which starts tomorrow, he told *a group of reporters in an* apparent effort to be reassuring, because there will only be time for broad generalities. His audience was unsure whether to be alarmed or relieved.

In almost every respect, the summit's all-American setting is tailor-made for Mr Reagan. The old town's painstakingly restored, rather smug-looking colonial houses will provide an ideal backdrop for the television cameras as Mr Reagan plays his ceremonial role of host to the Western world's leaders. He will not even be required to say much in public, other than read out a prepared 10-minute script at the end.

In the original colonial capital of Virginia, he will be surrounded by symbols of the homespun values of the early pioneers, particularly their conservative respect for religion and the market place and their aversion to taxation. Many of these values Mr Reagan embraces today.

Meals will act as a showcase *for the best in American* cuisine, ranging from cajun popcorn to North Carolina-style barbecue and Californian goat cheese on toast. The leaders will be encouraged to chat in neighbourly, American style over the picket fences in their backyards.

In what is effectively a colonial theme park, attracting 1m visitors a year, the 173-acre "historic area" is usually packed with character actors in 18th century costume, doubling *up as guides, silversmiths,* publicans and fake merchants and sheriffs. Although the area will be closed to visitors for the first time since its restoration began in the 1920s, many of the actors and craftsmen will continue to ply their trades and hawk their wares, with the benefit of translation into the *five summit languages—to the* potential embarrassment of the more sophisticated of the visiting celebrities.

The regular rifle and musket shooting display in the town centre has been called off, no doubt to the relief of the secret service. But the Americans have been unable to resist the temptation of adding a substantial amount of pagentry to what was originally billed as a simple "fireside chat." There will be salvoes from restored historic cannon, fife and drum parades, transport by horsedrawn carriage and an evening of entertainment that includes "a variety of types of contemporary and traditional American music—but no hard rock," according to the organisers.

The theme of the place, as the British delegation will immediately discover, is directed against unwelcome interference from monarchial mother England. But Mrs Thatcher should still feel at home on her whirlwind 24-hour stopover. The old *town still boasts original names* like North and South England streets, and the main thoroughfare is dedicated to a onetime Duke of Gloucester (still pronounced the English way).

Her private accommodation, the Chiswell-Bucktrout house, has an "unusual" 18th century English roof and would look highly suitable beside a Surrey golf-course. She will have the King's Arms tavern across the street. (FT afficionados will note that the honour of staying in Bracken House has been accorded to Mr Pierre Trudeau, the Canadian Prime Minister.)

It is the pubs, above all, that betray the town's British origin. Rows and rows of them, with names like the Red Lion and the Sir Walter Raleigh (for services to tobacco, the colony's main export).

But the Ralleigh tavern, where the leaders will repair for Sunday lunch, is also chockful of American heritage. George Washington, Patrick Henry and Lafayette all dined in the restaurant and Thomas Jefferson once complained of a "wretched" hangover after carousing there.

In 1769, "indignant burgesses" gathered at the tavern to draw up a boycott of *British* goods—an event that can be interpreted either as a distincly bad example for a summit that is trying to combat protectionism, or a useful historical precedent for Mr Reagan's belief in trade as a political weapon.

The 4,000 or so media camp followers, who have presented the main headache, and much of the expense for the summit organisers, are to be entertained less lavishly in a one-acre canvas tent that easily covers the eight tennis courts underneath it. Their eating arrangements, largely provided free by private enterprise to keep costs down, include Cornish game hens, pretzels and "Hawaiian-style extra-thick potato chips."

A special international Press centre has accounted for over $1m of the $7m the event is expected to cost, including the installation of air conditioning to cope with what are expected to be outside temperatures running well in the 90s. The French attracted considerable American odium at last year's summit when they laid on central heating in the Versailles Press centre in the middle of a freak heatwave.

Far from exacting retribution, the Americans are showing unusual graciousness to the French Press, who are to get the biggest briefing room in Williamsburg — bigger even than that laid on for the spoilt and fussy White House Press corps. An *historic* precedent was set on Wednesday when the Administration staged the first ever official U.S. briefing in French (at the express request of the U.S. embassy in Paris) to a slightly bemused audience of seven.

If the leaders' conversations are meant to be private, the advance publicity has been overwhelming. The tireless Mr Regan will have given no less than nine or 10 separate briefings, all virtually identical, by the time the summit begins.

Meanwhile, the Americans have cut the Gordian knot to solve one long-running source of summit contention. At first, the summits were called meetings of heads of state and government, at French insistence—the French President is both. A few years ago, the French backed down and allowed the shorter, though still cumbersome "Heads of Government." That still failed to include the president of the European Commission, who is head of neither. American officials have now come up with the perfect, if somewhat inelegant answer. They now simply call the eight participants "The Heads."

Brazil poised to wield axe on public spending

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Government is preparing to make severe cuts in public spending, in an effort to restore credibility to its faltering economic adjustment programme.

The axe is expected to fall on wheat and oil subsidies, and on government support for Carlos Langoni, the central bank governor, savings in these areas could run to Cruzeiros 2 to 2.5tn (up to £3.3bn).

The measures will probably be *announced early next week.* By then M Jacques de Larosiere, the head of the International Monetary Fund, is likely to confirm that the disbursement of the next tranche of the IMF's $4.9bn loan to Brazil is to be delayed, mainly because of the Brazilian Government's over-spending in the first quarter.

Sr Langoni said on Wednesday that the government's aim was to "break inflationary expectations, create conditions to permit a reduction in real interest rates and allow an orderly recovery

Apart from the reductions in direct and indirect subsidies which Sr Langoni said would *cut the public sector deficit by* 2 per cent of gross domestic product, the government is also planning to reduce its own public sector wage bill by virtually eliminating fringe benefits.

Cuba asked to take back refugees

By Our Foreign Staff

THE U.S. Government has formally asked the Cuban Government to take back some of the *125,000* Cubans who left the island during the boatlift from the port of Mariel in 1980.

The question of the "undesirables," some of whom had criminal records before they were sent from Cuba to the U.S., had been at issue between the two governments for several years.

On several occasions the Cuban Government—which privately admits that some trouble-makers were among those expelled from the country in the boatlift—has said it is prepared to discuss this

U.S. reduces natural gas imports from Mexico

BY WILLIAM CHISLETT IN MEXICO CITY

THE U.S. has reduced its imports of Mexican natural gas from 300m cubic feet a day to 180m cu ft and the two have agreed to reduce the price by 54 cents to $4.40 per million British Thermal Units.

The new arrangement means that Mexico, which needs all the foreign exchange it can get to service its total external debt of $83bn will suffer a $169m drop in revenues this year from its natural gas exports.

At the same time Pemex, the *state oil concern, announced* that Mexico's oil exports averaged 1.54m barrels a day in the first four months of the year, slightly above the target of 1.5m b/d.

● Labour leaders have reduced demands for a 50 per cent emergency wage increase but warned unions not to settle for less than 25 per cent, AP-DJ adds.

The Mexican Labor Federation set the new bargaining minimum and said percentage increases will depend on negotiations between individual unions and management.

Union leaders softened their demands in apparent response to an appeal for moderation last week by President Miguel de la Madrid, who also asked businessmen to settle for less profits.

The President said that Mexico's economic crisis is beginning to touch bottom, but it will take another three years of sacrifice and hard times before recovery begins to set in.

WORLD TRADE NEWS

PARIS AIR SHOW

A-320 launch unlikely before late summer or autumn

BY MICHAEL DONNE IN PARIS

THE FORMAL launch of the projected European 150-seat airliner, the A-320 from Airbus Industrie, is not now likely *before the late summer or* autumn of this year, because of the current financial difficulties of the world airline industry.

Although Airbus Industrie—the European airliner manufacturing group in which British Aerospace has a 20 per cent stake—remains convinced of the long-term market for such a venture, it is still discussing the programme with the airlines, in the hope of winning the orders that are necessary before the Governments involved — primarily the French, West German and British—provide the $2bn to build it.

M Bernard Lathière, president of Airbus Industrie, made it clear at the Paris International Air Show yesterday that since the last show two years ago much progress had been made on the A-320.

A preliminary work-sharing programme with existing Airbus partners (including British Aerospace) had been agreed, whereby those partners would broadly undertake on any A-320 the same work they are currently doing on the bigger A-300 and A-310 airliners. This *means British Aerospace would* build the wings for the new airliner.

But provision was being made in the programme for any other prospective partners, such as the Japanese aerospace industry and the Canadian and Australian industries.

M Lathière said that there was now an engine available for the venture — the Franco-U.S. (Snecma - General Electric CFM-56 in its Dash 4 version) and the aircraft was being discussed with the airlines with that engine in mind.

Although Rolls-Royce was discussing with Pratt and Whitney, the Japanese and West German and Italian engine companies, another new engine, the "2500," so far "no-one has given me a price or a delivery date or even a commitment on such an engine," M Lathière declared.

Until he had these, that new joint engine venture could not be seriously discussed, although he was sure that eventually it would be forthcoming and would be offered to the airlines. "Our aircraft is designed to adapt any engine," he declared.

As to development cash, "we are talking with the governments," he went on, "but we have not yet begun the final approach. First we needed an engine, and now we have that with the CFM-56-4. Now we are trying to find the orders. When we have those, we can go to the governments and say: Now we need the money."

He thought this situation would not arise much before the end of the summer — "about mid-August" — although even that date was not a firm commitment. "It all depends on the market."

Many airlines had shown interest in the A-320, but so far no-one had placed a firm order — apart from Air France, which has a "conditional" order for 25 aircraft, subject to the project going ahead. The response was nevertheless encouraging, but the revival in the economic fortunes of the world air transport industry was slow in coming.

France puts emphasis on arms

BY DAVID MARSH IN PARIS

WHEN PRESIDENT Francois Mitterrand opened the last Paris Air Show two years ago just after taking power in May 1981, he caused a stir by asking that armaments be covered up on the aircraft laid out for display.

The gesture was magnificent —but hardly in keeping with the realities of war. When he ceremonially opens the latest air show today—unless a miraculous clearing-up job has taken place overnight—the President will have to take care not to trip over the wide-ranging assortment of missiles and rockets littering the exhibition site at Le Bourget.

For the Press day yesterday, the display of civilian aircraft—and even the U.S. Space Shuttle on show amid high security—were pushed into the background. Combat aircraft roared overhead.

For the eyes of the Press and the lenses of the cameramen—weapons now entered into folklore as a result of the Falklands war—the French Exocet missile, the British Sea Wolf and Rapier missiles—were laid out with prominent effect.

The prominence only partly reflects the Falklands campaign. The malaise in the world civil airliner market has caused France and other countries to turn ever more towards sales of fighter aircraft and missiles abroad to maintain employment in the aeronautics industry.

Underlining the new business-like approach in France, M Jean Martre, the head of the Government's Armaments Directorate which is responsible for *weapons sales abroad this* month was nominated as chairman of France's nationalised aerospace company Aerospatiale following the retirement of Gen Jacques Mitterrand, the President's brother.

If the lay-out is kept in place, President Mitterrand will pass by today about 100 French *bombs and missiles scattered* like pebbles on a beach.

A Dauphin helicopter gunship for anti-guerrilla activities is also on display. So is a "goalkeeper" missile defence system manufactured by Signaal of Holland which promises "sure protection, sure hits, sure kills."

The Exocet was only modestly displayed yesterday, on board an Aerospatiale Super Puma helicopter. The British were, however, pulling out all the stops to capitalise on the Falklands campaign.

The British Aerospace Sea Harrier was displayed as having shot down more than 20 aggressor aircraft during the war; the Rapier was "tried, tested and proven in action;" the Sea Wolf and Sea Dart were "combat proven in the South Atlantic."

The British Aerospace Harriers and weapons systems destroyed 47 aircraft confirmed, plus nine probables, during the Falklands campaign, according to the company's placards—quoting from the best source of publicity material, the British Government's White Paper on the Falklands published in December.

Why Gatt and IMF are getting together

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

ONE OF the least contentious ideas for debate at the weekend's seven-nation summit in Williamsburg is that the International Monetary Fund should help the Gatt pull the free trade cart through the mire of recession.

Officials at both institutions appear keen for the summiteers to add their political weight to the proposal, which has been germinating for some time but was brought to the fore at last month's Paris meeting of the summit countries trade and finance ministers.

The purpose of closer collaboration would be to tackle the enormous debt problems of developing countries in a way that will keep trade flowing.

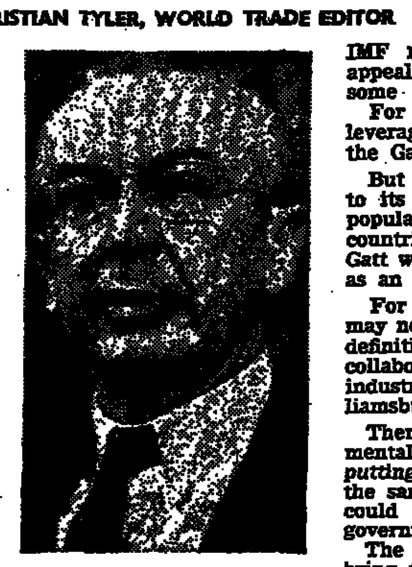
It is based on the now widely-accepted thesis—long promoted by the less developed countries (LDCs)—that economic recovery in the North and financial salvation in the South are interdependent.

It means persuading industrialised countries that it is in their interest to keep their markets open to developing nations' imports, since their banks will only face greater problems if borrowing countries cannot cover their debt with export earnings.

At the same time, the borrowers would be bailed out on terms that allowed them to increase imports and encouraged them to dismantle import controls. Apart from keeping trade alive, that might satisfy the lenders' complaints that they get no export benefit from supporting their debtors financially.

The IMF claims that it is already striking a different balance in its prescription for borrowers. The deal with Mexico provided for a "modest" increase in exports in the first year; a bigger increase was budgeted for Argentina. The Brazilian package is meant to increase imports in the second or third year. Import restrictions in India and Pakistan were eased.

It is not easy for the Fund to square the circle—though its charter requires it to foster "balanced growth *of* international trade." Cutting domestic demand is still the quickest remedy, and the new



M Jacques de Larosiere

prescription does not mean that financing packages will just be bigger.

Plans for further links between the IMF and Gatt are still vague. One suggestion, that Gatt officials should accompany IMF rescue parties, does not appeal to either side. There are some political problems, too.

For example, the IMF has the leverage with governments that the Gatt lacks.

But the conditions it attaches to its loans have made it unpopular with some developing countries in the past—and the Gatt would not care to be seen as an agent of the IMF.

For that reason, too, the Gatt may not want too robust or too definitive an endorsement for collaboration from the seven industrialised nations at Williamsburg this weekend.

There seems to be no fundamental difficulty, however, in *putting the two institutions into* the same groove. The real task could be persuading Western governments to play their part.

The Gatt finds it difficult to bring trade ministers round to its point of view; Finance Ministers seem to be more co-operative. Both the IMF and the Gatt would like to see more liaison between trade and finance ministers—a process begun at the Paris meeting where the Gatt-IMF tie-up was launched.

The two institutions already have formal connections. When the Fund, under its Article Four, holds routine, rather than emergency, talks with countries — as it did with France recently — it asks the Gatt beforehand for advice on that country's trade restrictions.

This new consultative function of the Fund, incidentally, would give it the opportunity to put some anti-protectionist pressure on Ministers.

Again, the Gatt has for long been required under its own Article 15 to talk to countries when they introduce trade measures to cure balance of payment problems . In these cases, Gatt talks to the Fund to find out what the balance of payment problems. In these

Indeed, the Fund is the only major international institution with which the Gatt has a procedural relationship. If the Williamsburg summiteers provide the political shove required M Jacques de Larosière, managing director of the IMF, and Mr Jacques de Larosière, managing director of the IMF, and Mr Arthur Dunkel, Secretary-General of the Gatt, could be seeing a lot more of each other in future.

Britannia woos Swedish business community

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

LEADERS of the City of London took to the sea yesterday aboard the Royal yacht Britannia to try to open up new links to the Swedish business community.

With the Queen away on travels around Stockholm and Sweden, Britannia was put to use for only the second time in its history as a marketing platform for the goods and especially the financial services of Great Britain Limited.

"It's an impressive sales pitch," admitted the Chief Executive of one leading Swedish multinational, as the yacht set sail.

The prospect of cruising the Stockholm Archipelago for more than seven hours aboard Britannia was sufficient to attract much of the cream of Swedish industry and banking.

The first time the Britannia ploy was used in Naples in 1980 as the venue for a business conference the commercial results included the stimulation of new business worth around $500m.

The UK has for long been ranked as one of Sweden's three largest trading partners, but yesterday the UK business community aimed its efforts aboard Britannia particularly at increasing Anglo-Swedish co-operation in international construction projects.

The biggest success to date was the winning last year of a $563m, hydroelectric scheme in Indonesia, against stiff competition from France, by a consortium led by Skanska and Asea from Sweden, and Balfour Beatty from the UK. The deal does not appear threatened by the current, extensive foreign contract rescheduling in Indonesia.

Contruction projects in third countries are seen as one of *the best ways of stimulating* joint ventures between Swedish and UK industry, financial insitutions and consulting firms.

Anglo-Swedish business contacts have a long history. The first friendship and trade treaty between the two countries was signed in 1654—ironically, given yesterday's venue of *Britannia.* It was signed for England, on behalf of Oliver Cromwell.

A little earlier, the Swedish King Erik tried to woo Elizabeth I, a temerity reflected in modern Swedish businessmen, claimed Mr Peter Wallenberg, Chairman of various Swedish multinational companies

UK officials are keen to maintain the momentum in Anglo-Swedish business contacts, created by the Royal visit to Stockholm. A small number of leading businessmen and bankers from both countries are discussing the formation of an informal Anglo-Swedish "Club" to try to channel contacts for the future.

Two-way trade between Sweden and the UK totalled more than £3.6bn last year with UK exports worth £1.9bn, and *Sweden supplying goods worth* £1.7bn to Britain.

Swedish companies already have more than 430 subsidiaries operating in the UK itself, but British officials are now keen to promote more joint ventures outside the immediate home markets.

Sweden's political neutrality *offers attractions in certain* difficult overseas markets for UK contractors, while UK financing, and especially aid packages, have been vital in persuading Swedish contractors to operate with a British partner.

Concentration on construction projects was also aimed yesterday, said a UK official, "at avoiding another lecture by the City. The Swedes are more intelligent than to need that."

Financial services do lend themselves well to Britannia, as a business venue. "You have to keep the gravitas of the Royal yacht . . . you cannot have sample shows, or fashion shows."

As Britannia steamed between offshore islands, the Earl of Limerick, a director of Kleinwort Benson, *the London* merchant bank, offered both sides a poetical morality tale, to guide future dealings:

"One banker lent from a marbled hall, his projects picked with a crystal ball. The dams all burst, the trains derailed. I heard last week his bank had failed."

"*Another* travelled far and wide, and sweated by his clients' side. He'd skills as well as cash to lend—that one's just raised his dividend."

OECD's oil import bill set to fall

By Richard Johns

THE COLLECTIVE oil import bill of member states of the Organisation for Economic Co-operation and Development will fall to $182bn in 1983 from $202bn last year, according to the Munich-based IFO Economic Research Institute.

As a result of the $5 per barrel cut in the Organisation of Petroleum Exporting Countries' prices, the institute calculates that member states' overall growth will rise this year by 0.5 per cent

It also forecasts a drop in oil consumption by the OECD from 33.8m barrels a day in 1982 to 31.1m b/d this year. Production by member states is expected to rise marginally to 15.2m b/d.

The organisation of Petroleum Exporting Countries' production is seen as falling from 18.7m b/d to 17.8m b/d while net exports will be down from 17.7m b/d to 16.9m b/d. The institute anticipates that the OECD stock drawdown will decline from 1.5m b/d to 500,000 b/d.

Spot the thief.

The short answer is, you can't.
Any of these ladies or gentlemen could be about to commit fraud.
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NOTICE OF REDEMPTION

Lifemark International N.V.

9¼% Convertible Subordinated Debentures Due 1996

(Convertible into Shares of Common Stock of, and unconditionally Guaranteed on a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by, Lifemark Corporation)

Conversion Right Expires: July 18, 1983
Redemption Date: July 18, 1983

Lifemark International N.V. has called for redemption on July 18, 1983 all of its outstanding 9¼% Convertible Subordinated Debentures Due 1996. The redemption price is 104% of the principal amount of Debentures plus accrued interest to July 18, 1983 of $23.90 for each $1,000 principal amount of Debentures, for a total of $1,063.90 for each $1,000 principal amount of Debentures. The Debentures are convertible into shares of Common Stock of Lifemark Corporation until the close of business on July 18, 1983, at a conversion price of $31.83 per share ($21.22 per share after giving effect to a 50% stock dividend to be paid May 31, 1983) or approximately 31.417 shares (47.125 shares after the stock dividend) of Common Stock for each $1,000 principal amount of Debentures. **As described below, based upon current market prices, the market value of the Common Stock into which each Debenture is convertible is significantly greater than the amount of cash which would be received upon surrendering such Debentures for redemption. All rights to convert the Debentures into Common Stock of Lifemark Corporation expire at the close of business on July 18, 1983.**

NOTICE IS HEREBY GIVEN to the holders of outstanding 9¼% Convertible Subordinated Debentures Due 1996 (the "Debentures") of Lifemark International N.V. ("International") that in accordance with the terms of the Indenture, dated as of April 15, 1981 (the "Indenture"), among International, Lifemark Corporation (the "Company"), as Guarantor, and Manufacturers Hanover Trust Company, as Trustee, International has elected to redeem all of the outstanding Debentures on July 18, 1983 (the "Redemption Date") at a redemption price of 104% of the principal amount thereof plus accrued interest from April 15, 1983 to July 18, 1983, or an aggregate of $1,063.90 for each $1,000 principal amount of Debentures. Debentures, together with all attached unmatured interest coupons, should be surrendered for payment of the redemption price and accrued interest at the option of the holder either (a) (by hand) to Manufacturers Hanover Trust Company, 130 John Street, Receive and Deliver Window (Street Level), New York, or (by mail) to Manufacturers Hanover Trust Company, P.O. Box 1916, GPO Station, New York, N.Y. 10116, Attention: Coupon Paying Department, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Payment of the redemption price and accrued interest will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment at the offices referred to in (b) above shall be made, at the direction of the holder, by check drawn on, or transfer to a United States dollar account maintained by the payee with, a bank in the Borough of Manhattan, the City of New York.

On the Redemption Date, the redemption price (plus accrued interest) will become due and payable upon each Debenture and interest thereon will cease to accrue on and after July 18, 1983. **After the Redemption Date, the Debentures will no longer be outstanding in the hands of the holders thereof, and all rights of the holders with respect thereto, including accrual of interest, will cease on and after such date, except only for the right to receive the redemption price and interest accrued to July 18, 1983.**

There have been no prior redemptions of the Debentures and, as a result, there have been no Debentures previously called for redemption and not presented for payment.

The election of International to redeem all of the outstanding Debentures has been made pursuant to the third paragraph of the form of Debenture. The condition precedent to the right of International to redeem the Debentures pursuant to such third paragraph has occurred because the reported last sale price per share of Common Stock of the Company ("Company Common Stock") on the New York Stock Exchange on each day on which there was such a reported last sale price within the 30 days immediately preceding the 15th day prior to the date upon which this Notice of Redemption was first published was at least 130% of the Conversion Price (as defined in the Indenture) in effect on such day.

CONVERSION OR SALE ALTERNATIVES

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, on or before the close of business on July 18, 1983, to convert such Debentures into Company Common Stock. The right to convert the principal of the Debentures will terminate at the close of business on July 18, 1983.

The Debentures may be converted into Company Common Stock at the rate of approximately 31.417 shares (47.125 shares after giving effect to a 50% stock dividend to be paid May 31, 1983) for each $1,000 principal amount of Debentures. In order to effect this conversion, a Debentureholder should complete and sign the CONVERSION NOTICE on the Debenture, or a substantially similar notice, and deliver the Debenture and signed notice, (a) (by hand or by mail) to Manufacturers Hanover Trust Company at the addresses noted above, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Upon conversion of Debentures, no payment or adjustment will be made on account of any interest accrued thereon or on account of any dividends on the Company Common Stock issued upon such conversion, except that Debentureholders who elect to convert Debentures into Company Common Stock on or prior to June 15, 1983 and are holders of record on such date will be entitled to receive the quarterly cash dividend of $.15 per share ($.10 per share after giving effect to the stock dividend) declared April 27, 1983. No fractional shares are issuable upon conversion. Debentureholders will receive cash, in lieu of any fractional share, in an amount equal to such fraction multiplied by the last reported sale price of the Common Stock, regular way, on the New York Stock Exchange on the day upon which Debentures are surrendered for conversion.

From January 1, 1982, through May 18, 1983, the Company Common Stock traded on the New York Stock Exchange at prices ranging from $48¼ to $21⅞ per share, which prices do not give effect to the 50% stock dividend referred to above. The closing price of the Company Common Stock on the New York Stock Exchange on May 18, 1983, was $46⅝ per share. At such closing price per share, the holder of $1,000 principal amount of Debentures would receive, upon conversion, shares of Company Common Stock and cash for the fractional interest having an aggregate value of $1,464.82. However, such value is subject to change depending on changes in the market price of Company Common Stock. **SO LONG AS THE MARKET PRICE OF THE COMPANY COMMON STOCK EXCEEDS $33⅞ PER SHARE ($22½ PER SHARE AFTER GIVING EFFECT TO THE STOCK DIVIDEND), DEBENTUREHOLDERS UPON CONVERSION WILL RECEIVE COMPANY COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL SHARE HAVING A GREATER MARKET VALUE THAN THE CASH WHICH THEY WOULD RECEIVE UPON REDEMPTION. FAILURE TO SURRENDER DEBENTURES FOR CONVERSION BEFORE THE CLOSE OF BUSINESS ON JULY 18, 1983, WILL AUTOMATICALLY RESULT IN REDEMPTION ON JULY 18, 1983, BY INTERNATIONAL AT A PRICE OF $1,063.90 FOR EACH $1,000 PRINCIPAL AMOUNT OF DEBENTURES.**

IMPORTANT FINANCIAL FACTS ABOUT THE ALTERNATIVES:

Market value of Company Common Stock (including fractional share) into which each $1,000 principal amount of Debentures is convertible (based upon the last reported sale price of the Company Common Stock on the New York Stock Exchange on May 18, 1983, of $46⅝ per share):

a) including the quarterly cash dividend payable to stockholders of record on June 15, 1983..... $1,469.52
b) excluding the quarterly cash dividend $1,464.82

Redemption Price (including accrued interest) for each $1,000 principal amount of Debentures $1,063.90

ADDITIONAL PAYING AND CONVERSION AGENTS

Manufacturers Hanover Trust Company
7 Princes Street
London EC2P 2LR England

Manufacturers Hanover Trust Company
Stockerstrasse 33
8027 Zurich, Switzerland

Manufacturers Hanover Trust Company
Bockenheimer Landstrasse 51-53
Postfach 3727
6000 Frankfurt am Main, Federal Republic of Germany

Manufacturers Hanover Bank/Belgium S.A.
Rue de Ligne 13
B-1000 Brussels, Belgium

Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal
Luxembourg, Luxembourg

INFORMATION AGENTS

The undersigned have been retained by Lifemark Corporation to assist it in managing the transactions contemplated herein. Such activities of the undersigned in no way constitute an underwriting of this call for redemption.

The First Boston Corporation
Park Avenue Plaza
New York, New York 10055
Attention: Anne F. Maxwell
Telephone: (212) 909-2132

Credit Suisse First Boston Limited
22 Bishopsgate
London EC2N 4BQ England
Attention: James D. Best
Telephone: (44-1) 283-4200

The method of delivery is at the option and risk of the holder, but, if mail is used, registered mail, return receipt requested, is suggested.

Lifemark International N.V.
Hugh M. Morrison
Managing Director

Lifemark Corporation
William S. Mackey, Jr.
Chairman and Chief Executive Officer

This Notice of Redemption is not and under no circumstances is to be construed as an offer to sell or as a solicitation of an offer to buy any of the securities of International or of the Company.

IT IS URGENT THAT DEBENTUREHOLDERS GIVE THIS MATTER IMMEDIATE ATTENTION. FAILURE TO CONVERT YOUR DEBENTURES TO COMPANY COMMON STOCK PRIOR TO THE CLOSE OF BUSINESS ON JULY 18, 1983 COULD RESULT IN MONETARY LOSS TO YOU. IF YOU ELECT TO CONVERT YOUR DEBENTURES, YOU MUST: (A) COMPLETE A NOTICE OF CONVERSION (FOUND ON THE REVERSE SIDE OF THE DEBENTURE OR AT THE CONVERSION AGENTS); AND (B) PRESENT YOUR DEBENTURES AND COMPLETED NOTICE OF CONVERSION TO ONE OF THE PAYING AND CONVERSION AGENTS LISTED ABOVE OR TO MANUFACTURERS HANOVER TRUST COMPANY IN NEW YORK. CONVERSION ON OR PRIOR TO JUNE 15, 1983 WILL ENTITLE YOU TO THE COMPANY'S REGULAR QUARTERLY CASH DIVIDEND IF YOU ARE A HOLDER OF RECORD ON SUCH DATE.

Dated: May 27, 1983

UK NEWS

Trafalgar calls Saatchi in to aid P & O bid

BY CHARLES BATCHELOR

SAATCHI AND SAATCHI, best known for its advertising campaigns for the Conservative's election effort, is to help draw up the Trafalgar House document detailing its £290m bid for P & O, Britain's largest shipping group.

The move is a radical departure for the City, where the agency will be heavily involved in an area previously the preserve of merchant bankers.

Mr Eric Parker, of Trafalgar, which has shipping, property and construction interests, said: "They are working with our merchant bankers to try to make the whole thing a little more comprehensible."

The document will probably be sent out next week.

Trafalgar House chairman Mr Nigel Broackes revealed on Tuesday, at the time of the bid announcement, that Saatchi had helped in drawing up the company's nine-page release explaining the reasons for the move.

Mr Parker said: "We wanted something that was fairly easy to read so we got Saatchi to sit down with our merchant bankers. I don't want to be too rude about the merchant banks but some of their wording can be boring."

Mr John Spratling, deputy chairman of Saatchi, said: "My experience has been that the merchant banks welcome us. I can only stand in awe of their expertise in City matters but they are not professional communicators.

"We will be advising Trafalgar House on the presentation of the offer document although large parts of it are very formal and have to be."

Saatchi has a four-man team working with Trafalgar and its merchant bankers, Kleinwort Benson, on the offer document.

Three-month dip in capital spending

FINANCIAL TIMES REPORTER

DIRECT CAPITAL spending by UK manufacturing industry in the first quarter of this year was $620m, nearly 5 per cent down on the last quarter of 1982, according to Department of Industry provisional figures to be published today.

The figures also show that if the leasing of assets by manufacturing industry is taken into account, the level of investment is nearly 6 per cent down on the last three months of 1982.

Spending by manufacturing industry contrasts sharply with the distributive and service sectors. The combined expenditure of the three sectors is only 0.5 per cent down on the final quarter of last year.

Of the total £2.36bn spent by the three sectors, around 70 per cent was accounted for by distributive and service industries.

The Industry Department also says that new orders placed with UK engineering companies were some 3 per cent higher in the three months to February than in the previous three months. On the same comparison, total sales declined by 2 per cent and the level of total orders-on-hand was unchanged.

In the home market, engineering orders fell by 6 per cent the three months to February. There was also a marginal fall in home sales and home orders-on-hand declined by 2 per cent.

In the export market, however, the level of new orders during February was largely responsible for an increase over the three months of nearly 25 per cent. This led to a 4 per cent rise in orders-on-hand for export, although export sales fell by 4.5 per cent.

Accounting reform sets fewer standards

By Alison Hogan

FEWER ACCOUNTING standards will be set by the accounting profession in the future as a result of a major reform of the standard setting process announced yesterday by Mr Ian Davison, chairman of the Accounting Standards Committee (ASC).

A new, non-mandatory Statement of Recommended Practice (SORP) is to be introduced for topics which do not meet all the criteria for an accounting standard. The statement will have no professional sanctions, though companies will be encouraged to comply. There will be no forced disclosure of non-compliance.

The ASC has rejected any beefing up of its enforcement powers. Instead Mr Davison said: "We have taken off our jack boots and will be less draconian in future."

This reform paves the way for a solution to the controversial inflation accounting standard SSAP 16. The principles of inflation accounting will probably continue to be codified in the standard, while different methods of accounting for inflation will be contained in SORPs.

Mr Davison said the duty of the ASC is to raise the standards and push out the frontiers of accounting in the country, this could not be done through standards alone.

"There are some sectors who have pressing needs for guidance, but the ASC cannot give them sufficient attention, such as banking, shipping, oil and gas and construction."

He suggested that these sectors could set up their own working parties, including the preparers of accounts, the users and auditors and prepare a draft recommendation which the ASC could then approve and 'frank' producing another category of 'franked' SORPs.

The current accounting reform at Lloyd's of London, which Mr Davison is heading, would be a suitable candidate for such a franked SORP. The franking process will also probably prove a channel for the closer involvement of the ASC in the public sector without detracting from the Government's standard-setting role in the public sector.

Accounting standards will in future deal only with matters of major and fundamental importance affecting the generality of companies, and which are applicable to all accounts which are intended to give a true and fair view.

UK NEWS

Labour affirms Foot speaks for the party

BY IVOR OWEN

THE RIFT within the Labour Party over its non-nuclear defence policy took a new turn yesterday. It was revealed that the party's campaign committee had decided it was necessary to give a virtual vote of confidence to Mr Michael Foot, the Labour leader.

In a remarkable intervention at the party's election press conference, Mr Jim Mortimer, the Labour general secretary, said: "At the campaign committee we were all insistent that Michael Foot is leader of the Labour Party, speaks for the party, and we support the manifesto (policy document) of the party."

Mr Mortimer volunteered this information after Mr Foot had answered a question about a speech by Mr James Callaghan, the former Labour Prime Minister, in which he repudiated the party's unilateralist defence policy.

Mr Callaghan, aged 71, was leader of the party from 1976 until 1980, when Mr Foot succeeded him. This week Mr Callaghan dissociated himself from party policy by saying that Britain and the West should not give up nuclear arms unilaterally. In particular, he said the UK's Polaris submarines remained an effective deterrent. Labour's official policy is to phase out Polaris.

Asked about Mr Callaghan's speech, Mr Foot highlighted passages in the speech which were in line with party policy and added: "It's a free country and a free party and he is free to give his views."

He stressed: "I speak for the Labour Party. The manifesto speaks for the Labour Party. There are some people who wish to drive rifts or create differences. But it is clear what our policy is."

Mr Mortimer then intervened and, in the words of a Labour Party official afterwards, "dropped a brick of huge proportions."

Mr Mortimer emphasised that it was the unanimous view of the committee that Mr Foot was the leader of the party and spoke for the party.

The implication was that some kind of vote had been taken in the middle of the election campaign to confirm the position of the leader. But this was quickly dismissed by Mr Foot.

He was adamant that "no such question arose." He explained that it had been a routine meeting of the campaign committee which examined issues likely to be raised at the daily press conferences.

Mr Callaghan: not in favour of unilateral disarmament

It is clear that yesterday's meeting was dominated by a discussion on how Mr Foot should deal with the inevitable questions about Mr Callaghan's speech.

At the Social Democrat/Liberal Alliance press conference, Mrs Shirley Williams, president of the Social Democratic Party (SDP), defended Mr Callaghan against accusations of "disloyalty."

Mrs Williams, a former Labour minister, who later became a founder member of the SDP, maintained that Mr Callaghan had shown that he cared more about his country than his party. She said, he was not going to remain silent in the interests of party loyalty, when he thought that his own country's future, and possibly even the peace of the world, might be at stake.

Mrs Williams claimed that the split in the Labour Party over defence policy was making more people turn to the Alliance.

Thatcher confident unemployed total will not reach 4m

BY OUR POLITICAL STAFF

MRS MARGARET THATCHER, the Prime Minister, told the Conservative election press conference yesterday that she would be astonished if unemployment in Britain, now about 3.25m, climbed above 4m.

She asserted that she remained "cautiously optimistic" about the outcome of the general election on June 9. But her buoyant and re-

BRITAIN GOES TO THE POLLS JUNE 9

laxed mood reflected the confidence of a prime minister who expects to remain in power.

Opinion polls have consistently shown that neither the Labour Party, the main opposition party, nor the Social Democrat/Liberal Alliance has been able to make significant inroads into the large Conservative lead.

Mrs Thatcher showed only a hint of irritation when replying to questions which suggested that a speech by Mr James Prior, the Northern Ireland Secretary, amounted to implied criticism of her own attitude to the number of unemployed. Mr Prior had emphasised the need to provide hope for the unemployed.

The Prime Minister said the fact that young people were indicating they would be voting Conservative showed "they see more hope for the future with us."

She confirmed that the absence of any undertaking in the Conservative election programme to index unemployment benefit meant that, if re-elected, the Government would retain the option of allowing its value to fall in real terms.

Mr Prior, in a radio broadcast, took care not to exacerbate his strained relations with Mrs Thatcher. He contended that the present level of Government expenditure was "about right" at the moment.

He expressed doubt whether, in view of the present problems associated with interest rates and budget deficits in the U.S., there was much room for greater expansion in Britain.

Increases pledged for pensions and benefits

BY PETER RIDDELL, POLITICAL EDITOR

AN INCOMING Labour government would immediately raise pensions and other social security benefits this November by the full amount necessary to match the expected rise in prices.

In an attempt to distract attention from the row over defence policy, Labour leaders yesterday concentrated on what the party would do to help pensioners.

This formed the main theme of a statement by Mr Brynmor John, the party's social security spokesman, and of an evening speech by Mr Michael Foot, the party leader.

Mr John said Labour would give an extra £1.45 a week to a single pensioner (up to £36.30) and £2.35 to a married couple (up to £58) to restore pensioners to the same position as if the pension's link with earnings had not been broken three years ago.

Labour would restore the link between pensions and average earnings, and the Christmas bonus would be doubled to £20, he said.

Progress would also be made towards a common pension age of 60.

At present, men in the UK retire at 65 and women at 60.

Mr Foot maintained that the Conservative Government had robbed families of more than £80 a child during the past four years because of cuts in child benefit, while a married pensioner had lost £2.25 because the Tories had scrapped the link with earnings.

● Tax incentives to encourage pensioners to take private health insurance and allowances to encourage more people to care for the old and disabled at home are two policy options for a re-elected Conservative government, Mr Norman Fowler, the Social Services Secretary, said.

Mr Fowler said the Conservatives had "succeeded in squashing the idea that we are about to demolish the welfare state," but that it would continue to seek ways of increasing private sector welfare provision.

UK welfare state, Page 17

Steel launches attack on both main parties

BY KEVIN BROWN

MR DAVID STEEL, the Liberal leader, yesterday dropped the measured style he has adopted so far in the election campaign in favour of an all-out attack on the leaders of both main parties.

In a series of uncharacteristically aggressive speeches during campaign stops in the west of England, Mr Steel was heavily critical of the defence and employment policies of both the Conservatives and Labour.

However, the main thrust of his attack was aimed at Labour, in pursuit of what the Social Democrat/Liberal Alliance leaders see as an increasingly soft Labour vote.

Mr Steel was quick to take advantage of Labour's confusion over defence, which he said was tearing the party apart. He condemned the defence policies of both main parties as "deeply dangerous," but he claimed Labour had ceased to believe in the importance of either nuclear or conventional defence.

"The truth of the matter is that the Labour leaders have lost out. Mr Foot is no longer in control of the party," he said.

Mr Steel has largely avoided personal attacks on the other party leaders, preferring to stress the positive alternative offered by the Alliance. But he accused Mr Foot of presiding over a complete left-wing takeover of the Labour Party.

Mr Foot, he said, condemned candidates from the Militant Tendency (an extreme left-wing faction) and then appeared on a platform with them.

"Those people who left the Labour Party to set up a new organisation (the Social Democratic Party) and link up with the Liberals have been proved amply justified by what has happened in this campaign."

Mr Steel also dismissed Labour's promises to reduce unemployment by 2m in five years as "frankly unbelievable."

He added: "Either Labour leaders know it cannot be kept, in which case they are cynical, or they believe their own propaganda, in which case they are merely foolish," he said.

"Either way there can be few people left in Britain who are not aware that within 18 months of the return of a Labour government, Britain would be back in the international pawn shop."

The Liberal leader accused the Conservative Party of "fast becoming one vast propaganda machine for laying the blame for unemployment on everyone but itself."

He added: "The Almighty himself must be waiting with trembling hands for when the Tories finally pass the buck to him."

Mr Steel said his more aggressive approach was a personal decision, rather than an Alliance tactical gamble. But it comes in the wake of several unscheduled meetings with SDP leaders at a time when the Alliance opinion poll rating is steadfastly refusing to rise.

Plans to scrap GLC delayed

Financial Times Reporter

MR TOM KING, the Environment Secretary, said yesterday that the Conservatives' plans to abolish the Greater London Council (GLC) and the six large metropolitan authorities could not be implemented before April 1986.

He acknowledged that, with this timescale, a new Conservative Government would be faced with the dilemma of whether to allow the local government elections, due in May 1985, to proceed.

The GLC and metropolitan councils are Labour-controlled. Mr King claimed that by abolishing this tier of local government, there would be eventual savings of up to £100m.

Labour policy 'a disaster'

By Ken Ferris

THE Labour Party's programme would "start the alarm bells ringing in every boardroom in Britain," Mr Walter Goldsmith, director general of the Institute of Directors (IOD), claimed yesterday. He said it would be an economic disaster if implemented.

Mr Goldsmith also criticised the policies of the Social Democrat/Liberal Alliance, which he said were reflationary.

He was broadly supportive of the Conservative programme, although he criticised some of its detail. In particular, he said, it was lacking in ideas on trade union reform and should have a clearer commitment to tax reductions to restore incentives.

UK NEWS

Call for improved conditions at Cowley factory

FINDINGS of a union-management inquiry into industrial relations at BL's troubled assembly plant at Cowley, Oxford, are thought to have upheld many of the complaints made by workers during the recent four-week strike over "washing-up time."

In this dispute the management sought to stop a long-standing practice of ending shifts a few minutes early to allow workers time for washing.

A report to be considered in national negotiations to end the still unresolved dispute is understood to suggest there are grounds for worker complaints about swearing and abuse from management.

The report of the four-man inquiry urges senior managers to maintain standards and calls for an immediate improvement in working conditions, health and safety measures, and consultation with the workforce.

Representing the company was Mr Jim Donaghy, director of the Longbridge body and assembly plants, and Mr Norman Haslam, Austin Rover's employee relations director. For the trade unions there were Mr Bill Jordan, Birmingham divisional organiser of the Amalgamated Union of Engineering Workers, and Mr Bill Lapworth, a regional secretary of the Transport and General Workers' Union.

The main thrust of the report is likely to be directed towards the need to reform the structure of the trade unions at Cowley assembly to ensure adequate representation of all shop-floor opinion. This has been a long-running problem at the factory, where the trade union leadership has struggled to assert authority and co-ordinate the interests of different sections of workers.

Management may take some comfort from the evidence of the shop stewards to the inquiry about the need to achieve internationally competitive levels of efficiency.

The inquiry is thought to have rejected complaints about undue effort on the part of workers, pointing out that change must be accepted for Cowley to remain competitive.

Cowley shop stewards, in a document issued yesterday to mass meetings of the 5,000 assembly workers who voted almost unanimously to continue the fight to retain washing-up time, commented on the fair hearing they had received from the inquiry.

Early implementation of the recommendations contained in the report could be an important factor in resolving the washing-up time dispute. Union leaders complained throughout the strike that "the authoritarian attitude of management was at the heart of the original walkout."

Improved relations at the plant since the return to work nearly four weeks ago have been important to the high levels of output achieved. Last week saw a 10-year record with 5,700 vehicles assembled.

Rolls long-term plan will determine aero-engine ventures

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE, the UK state-owned aero-engine manufacturer, is preparing a long-term strategic plan that will determine which new aero-engine programmes, civil and military, it will undertake during the rest of this century.

The strategic plan was devised by Sir William Duncan, who joined the board late last year and took over as chairman on April 1 on the retirement of Lord McFadzean.

Sir William has quickly made up his mind that one of the main problems facing the company is the amount of investment that will be needed throughout the rest of this century, not only to continue all the current civil and military engine ventures, but for any new engines that the world market may require.

This investment could amount to many hundreds of millions of pounds – some estimates put it close of £1bn. Much of it would go into research, development and initial production which would not yield profits for many years.

In view of the company's financial situation – it lost more than £130m last year – it is clear that while some of the new investment can be found internally, most of it (especially for military engines) will have to come from the Government.

The question facing the company and the Government is whether it is necessary or desirable for Rolls-Royce to continue to provide new engines across the spectrum of civil and military aerospace, or whether limited cash resources should be spread over a smaller number of industrially significant and economically viable programmes.

Some current programmes, such as the RB-199 engine for the Tornado, the prospective Experimental Aircraft Programme on the military side and the Dash 535 version of the RB-211 engine for the Boeing 757 and other airliners, are considered inviolable.

But there are other programmes for which the outlook is less clear, even though the company itself is anxious to undertake them. Those include the development of a new RB-401 small jet engine, to replace the Viper, which powers many smaller civil and military jet aircraft world-wide. Another is the RTM-322, a new engine initially aimed at helicopters, but capable of adaptation for use in other types of aircraft.

In each case, Rolls-Royce believes the "core technology" involved in the engines is sufficiently revolutionary to justify spending money on their development. But since the investment will be high, it has to be carefully considered.

The strategic plan – which is expected to be completed later this year – is also important in that it will enbale the Government to assess in greater detail the company's longer-term prospects with a view to any eventual privatisation, in the event of a Conservative victory in the general election.

Although Rolls-Royce has for a long time been on the Government's list of state-owned companies suitable for return to the private sector, current lack of profitability and the likely scale of future investment are stumblingblocks to any successful sale of shares.

Japanese-style quality circles gain support

By Brian Groom

BRITISH COMPANIES which have introduced Japanese-style quality circles, believe the number of employees involved in them could treble, according to a survey by Dr Barry Dale of the University of Manchester Institute of Science and Technology.

Quality circles are small groups of workers who meet regularly to solve problems and improve aspects of work. They started in Britain five years ago, and interest has steadily grown.

Dr Dale, who has helped introduce quality circles at Leyland Vehicles, disclosed the results of research in 86 manufacturing companies to the first conference of the recently-formed National Society of Quality Circles in London yesterday.

He found the attitude of local trade unionists encouraging. If shop floor employees and the local union leadership felt the adoption of circles would best protect jobs in highly competitive industries, they tended to push ahead regardless of national union policy, he said.

Bank launches high interest cheque account

By Alan Friedman, Banking Correspondent

THE BANK of Scotland, which is 30 per cent owned by Barclays Bank, is introducing a new high interest cheque account designed to attract deposits from the upmarket personal sector and from companies.

The account, to be called the Money Market Cheque Account, will pay interest which is based on money market rates and will offer customers a cheque book through the bank's main London branch.

The Bank of Scotland said yesterday that the new facility was designed to supplement its existing deposit base, which has been eroded by the trend among customers toward high interest accounts outside the banking sector.

Reed acquisition

REED PUBLISHING, the business publishing division of Reed International, has acquired the New York-based Fischer Medical Publications as part of a strategy for developing into potential growth areas.

Reporting award

JOHN ELLIOTT, industrial editor of the Financial Times, was yesterday named industrial reporter of the year in the Blue Circle Industries' 1983 journalism awards. The award includes a £500 prize.

UK power costs

ELECTRICITY charges in the UK are cheaper than European tariffs, contrary to a headline in yesterday's Financial Times suggesting otherwise.

THE PROPERTY MARKET BY WILLIAM COCHRANE

Rents down in real terms

EVIDENCE OF any real recovery in rents remains very thin on the ground despite the improvement in lettings during the first quarter of this year.

"Rents in current prices hint at an upturn but there is little sign of this when inflation is taken into account," according to the latest Investors Chronicle Hillier Parker Rent Index which says that rents are still falling in real terms.

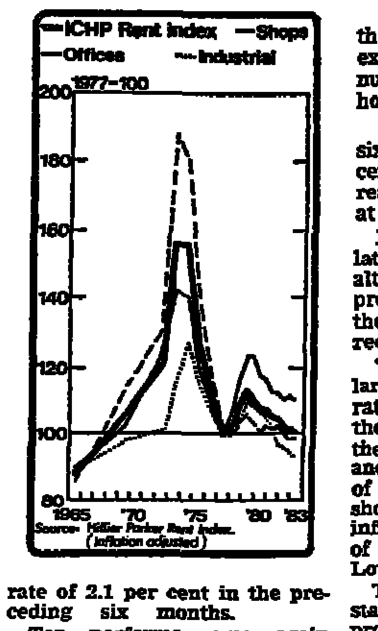
According to the indices, commercial property rents after adjusting for inflation fell at an annual rate of 1.8 per cent between November 1982 and May this year.

Nonetheless, the figures represent a slight improvement over those for the corresponding period a year ago when rents after adjusting for inflation were declining at an annual rate of 4.2 per cent.

The last time that rents displayed any consistent real growth was in the late 1970s. Between May 1977 and May 1979 the ICHP index, adjusted for inflation, rose from 100 to 112, a period of uninterrupted growth when property outperformed most rival investment vehicles.

Since the first half of 1979 rents have declined in real terms and the ICHP index now stands at its 1977 base level of 100.

In cash terms rents rose between November and May at an annual rate of 3.5 per cent compared with an annualised rate of 2.1 per cent in the preceding six months.



Top performer was again *shops which saw rents rise rise* at annual rate of 4.6 per cent (0.7 per cent fall after adjusting for inflation).

If shops remain the top performer, offices enjoyed the greatest improvement. According to the ICHP indices office rents are currently rising at an annual rate of 3.9 per cent compared with just 1.7 per cent, six *months previously*. After adjusting for inflation office rents fell by 1.4 per cent in the six months to May.

Industrial properties remain the laggards, as might be expected given the large numbers of factories and warehouses still lying idle.

Industrial rents in the past six months rose by only 1.1 per cent which means that rents in real terms are presently falling at around 4 per cent a year.

Hillier Parker says that the latest rise in shop rents, although slightly ahead of the previous six months, "is still the second lowest increase on record."

"Office rents have shown the largest improvement, with the rate of growth doubling during the past six months. Offices in the *prime central area banking* and financial district in the City of London are continuing to show real growth ahead of inflation despite the high level of space available in central London."

The latest set of depressing statistics comes as some in the property industry believe that the sector is over the worst and may be poised to stage a modest recovery, that is if the economy continues its gradual climb out of recession.

The signs may be there in terms of higher lettings and reports of a growing level of inquiries from industry and commerce but it could be some time yet before this starts to show through in improved rents, judging by the latest figures from ICHP.

ANDREW TAYLOR

Royal active in home counties

ROYAL LIFE Insurance is funding two office developments worth an aggregate of nearly £8m in the home counties. The first, for a completed investment value of around £4m, is the 21,750 sq ft *Easton House, Easton Street,* High Wycombe to be developed by Speyhawk and Easton Street Developments.

The second, for joint developers Redlake Securities and City & Urban Securities, is a £3.8m, 30,000 sq ft building of four storeys at Tweedy Road, Bromley. St Quintin *advised* Royal Life, Savills and John Graham Speyhawk, and Adrian Tutchings & Associates Redlake and City & Urban.

● In a happier than usual relocation story, electronics company R S Components is to move to custom built 300,000 sq ft premises on a new 27-acre greenfield site in the Weldon Enterprise Zone near Corby.

The company has "burst at the seams" because of its growth over the last 10 years and Jones Lang Wootton, with Henry Davis and Company, have been asked to dispose of its 57,500 sq ft warehouse/office building at 37/45 City Road, London EC1. Current rental is £2.50 per sq ft and there is no premium.

● In their City floorspace survey for April, Richard Saunders says that space let, placed or under offer within the City of London during the month amounted to 148,039 sq ft and included Atlas House, King Street *(44,655 sq ft) and part of* Princess House, Bush Lane, Cannon Street (20,470 sq ft). Total office accommodation available shows a further increase to 3,410,140 sq ft, the highest figure since July 1977.

● British Telecom has taken nearly 20,000 sq ft in Phase *II of ESN's Cloth Hall Court* scheme in Leeds.

● Merevale Properties has let the entire four floors of office accommodation in its 10,000 sq ft Merevale House development at Brompton Place in London's Knightsbridge to Sonangol, the state-owned oil corporation of *Angola, at a rent in excess of* £18 per sq ft.

● Debenham Tewson and Chinnocks' Bahrain office, newly-appointed letting and managing agents for Bahrain Kuwait Insurance Company's 54,000 sq ft headquarters development in the diplomatic area, Manama, Bahrain, expect to let all but the two floors reserved for the insurance company to international banks and financial institutions.

Countdown to Bournes closure

AFTER A lingering death—its closing down sale is now in its 17th month—Bournes, the Oxford Street department store, will finally close its doors on Saturday, August 20. What will happen then to the island site, 118/128 Oxford Street, is still undecided.

Raybeck, the retail and fashion group, exchanged contracts on Monday for the surrender of its leasehold interest in the site to the freeholders, Equitable Life and Scottish Amicable. Completion of the contract is to take place on September 29.

Raybeck has received a consideration of £400,000, a modest sum against the potential savings from closing down the store which the chairman Mr Ben Raven estimates to be losing Raybeck between £1m and £1½m a year.

Mr Raven said that it had become impossible for one independent department store to operate viably in the West End when it has to carry all the expenses of a head office with management and suppliers, which larger chains, with 30 or 40 stores, can spread between them.

The climate for major West End retailers has changed considerably since September 1978 when Raybeck, which also owns the Lord John and Berkertex clothing retailers, made a £11.3m cash bid for Bournes and Hollingsworth the independent store founded in 1894.

At the time it was thought that Raybeck had got a bargain. This view appeared to have been confirmed when just a year later Raybeck having acquired the freehold for £750,000, arranged a sale and lease-back deal with Equitable Life Asurance for £17m.

Raybeck retained its freehold rights for half of the store which meant that the lease back cost it just £900,000 a year, half the market rent. But a year later in 1980, Raybeck suffered its first fall in profits and despite a change in image at Bournes with the introduction of a number of franchises, including W. H. Smith and Laskys, the losses kept building up.

On July 31 1981, Raybeck announced that the Greater London Council had granted planning permission for redevelopment proposals for the six-storey department store.

The plan still stands and is one of the options which Equitable Life is considering. Its chief surveyor Mr Colin Winter, says no decision has been taken, although the freeholders have been considering *the future of* the site since Bournes first announced its closing down sale a full 16 months ago.

One option which will be ruled out, however, is another department store. These have proved extremely difficult to operate profitably in recent years and Bournes is just the latest of a number of major ciy centre department stores for which new uses are having ing to be found.

The planning permission approved by the GLC in 1981 would allow 100,000 sq ft of retailing on three levels; 140,000 sq ft of offices; up to 52 flats taking up a further 40,000 sq ft and 100,000 sq ft for 350 car parking spaces.

The potential of the site is its size and shape. "It is an island site of approximately one acre, with a depth of more than 300 feet," says Nick Sadler of Richard Ellis. "There are very few sites of that size and potential available in central London."

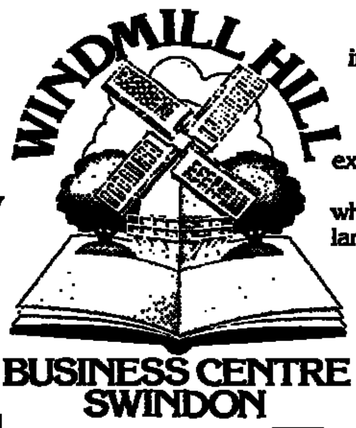
The present building provides approximately 250,000 sq ft on basement, ground (35,000 sq ft) and six upper floors. A major refurbishment has not been ruled out. The building was constructed in two halves, so it would be possible to demolish and rebuild at the rear and refurbish the front, says Nick Sadler.

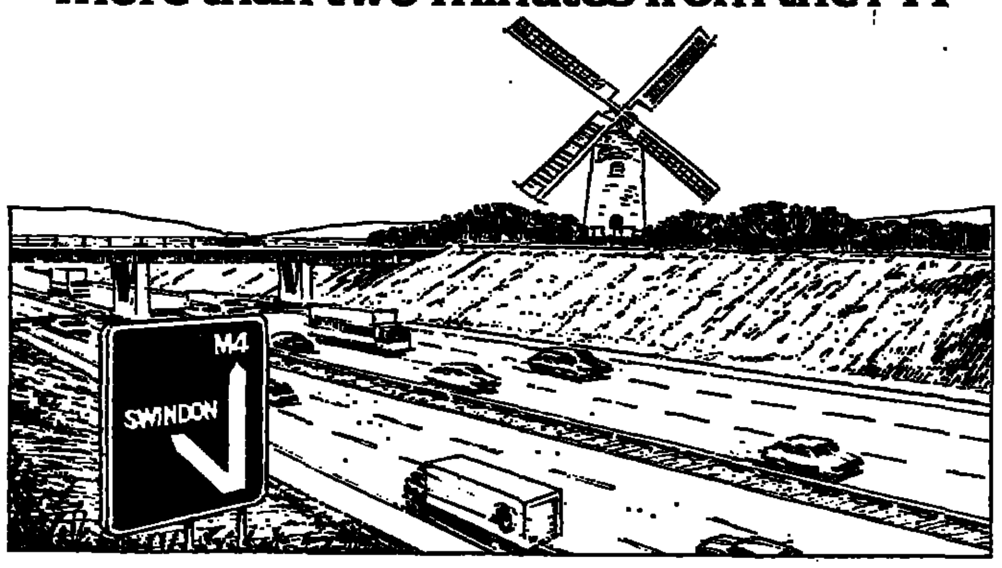
Mixed developments along the lines of the existing planning permission have sometime proved unpopular with investment institutions.

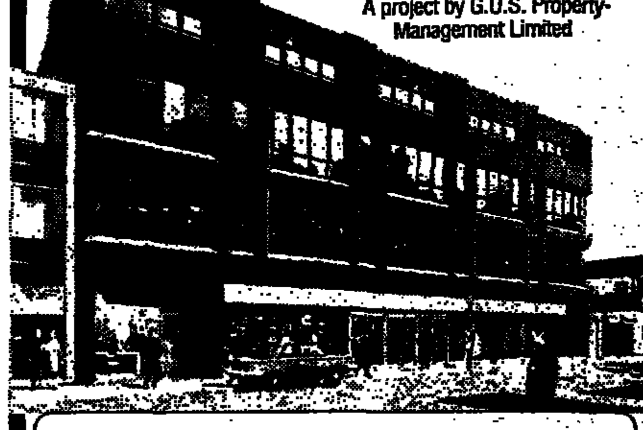
This is because of possible conflicts involved in breaking up a frontage. Office tenants will seek an attractive and prestigious looking entrance to a building while retailers want maximum groundfloor frontage to display their goods.

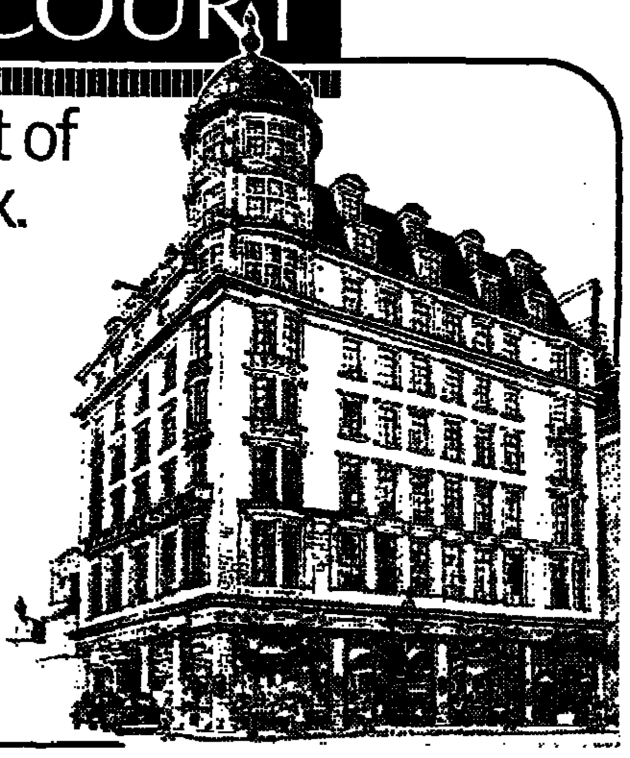
Given a choice it would seem likely that Equitable Life would prefer a scheme with a relatively heavy *office content given* the recent climate for retail property in Oxford Street.

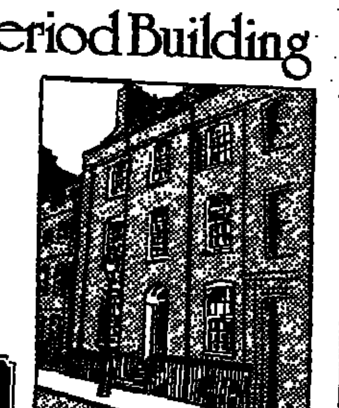
ALISON HOGAN











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INVESTMENTS WANTED

SMALL FREEHOLD INVESTMENT in Central London required for major City institution: £500,000 to £1 million available. Details to Box T.5917, Financial Times, 10, Cannon Street, London EC4P 4BY.

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PROPERTY INVESTMENT COMPANIES
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Write Box T5828, Financial Times 10 Cannon Street, EC4P 4BY

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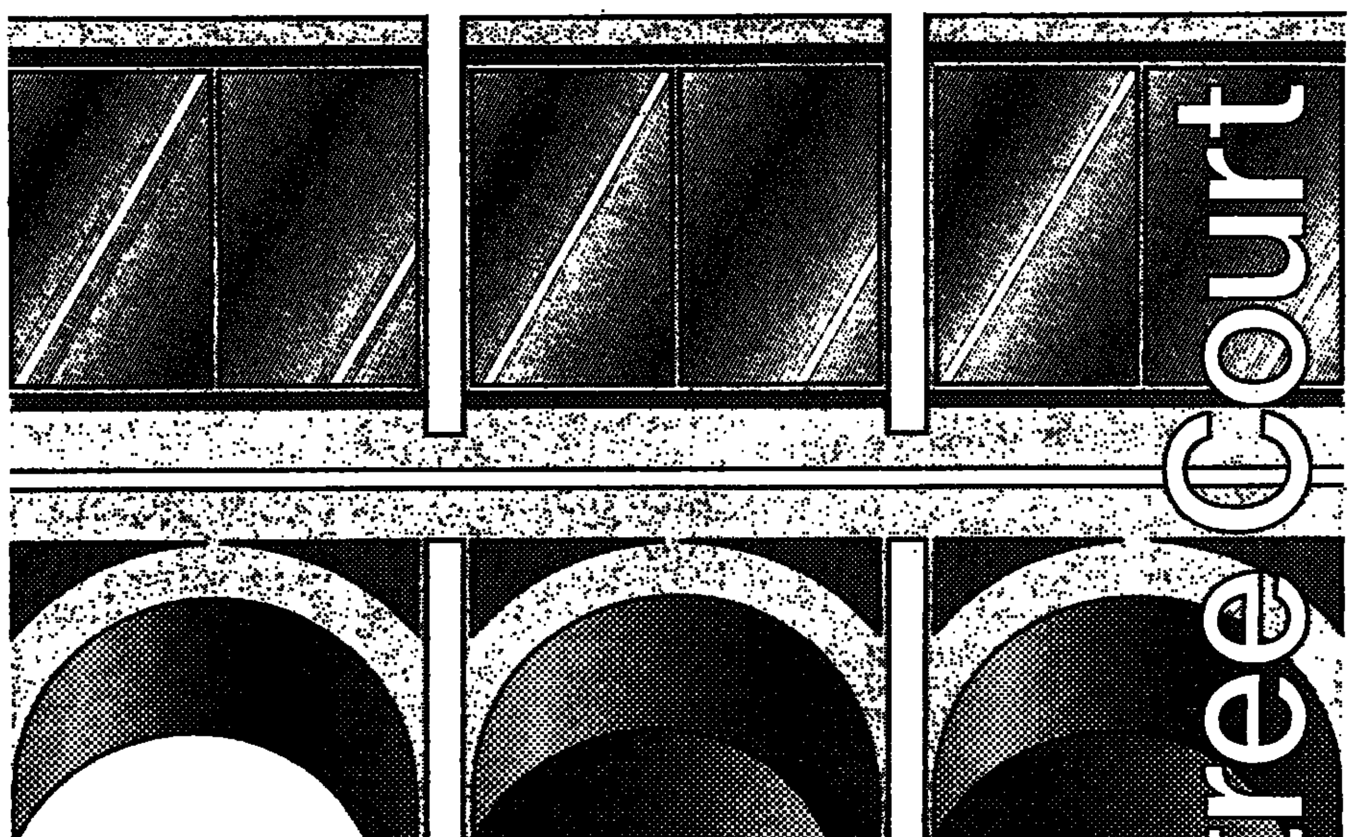

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FREEHOLD
1¼ acres land, electricity
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Equi-distant Metz, Strasbourg Nancy, Foothills, Vosges Pine Forrests. Refuge, view
Write Box T5918, Financial Times 10 Cannon Street, EC4P 4BY

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CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTRY OF THE INTERIOR
WILAYA DE SKIKDA
SECRETARIAT GENERAL
SERVICE DU BUDGET ET DES OPERATIONS FINANCIERES
(Budgeting and Financial Operations Department)
BUREAU DES MARCHES PUBLICS
(Public Tenders Office)
SUPPLY OF MAJOR KITCHEN EQUIPMENT AND LAUNDRY-ROOM EQUIPMENT FOR 22 SCHOOL ESTABLISHMENTS—10 CANTEENS AND 3 No 120-BED HOSPITALS
ANNOUNCEMENT OF NATIONAL AND INTERNATIONAL TENDER

A National and International Invitation to Tender is announced for the supply of major kitchen equipment and laundry room equipment for 22 School Establishments, 10 canteens and 3 120-bed hospitals.

Tenderers may obtain tender documents from Wilaya de Skikda (Bureau des Marchés) [Purchasing Office].

Offers, accompanied by the required fiscal and statutory documentation, should be sent in a double sealed envelope to Monsieur le Directeur WILAYA DE SKIKDA, SECRETARIAT GENERAL, SERVICE DU BUDGET ET DES OPERATIONS FINANCIERS, BUREAU DES MARCHES, and the outer envelope must bear the following wording: "Appel d'offres National et International — A ne pas ouvrir [Not to be opened]. Fourniture de Gros matériels de cusine et Buanderie pour l'Equipement de 22 Establissements Scolaires, 10 Cantines et 03 Hôpitaux."

The closing date for submission of offers is thirty (30) days with effect from the date of appearance of this tender announcement.

This Invitation to Tender is intended solely for manufacturers and producers, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law 78-02 of 11 February 1978, relating to State Monopoly over Foreign Trade.

Tenderers must enclose with their offers:
(1) A certificate issued by the Chamber of Commerce and Industry in the place of their domicile, stating that they are in fact acting in the capacity of manufacturers or producers.
(2) Those documents requested in Ministry of Commerce circular No. 21/DGCI/DMP/81 of 4 May 1981.
Tenderers will be bound by their offers for 90 days.

COMPANY NOTICES

TRAFALGAR FUND
société anonyme
Registered Office:
LUXEMBOURG, 14, rue Aldringen
Commercial Register:
Section B No. 8.202

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting of shareholders of TRAFALGAR FUND, S.A., will be held at its registered office, 14, rue Aldringen, Luxembourg, on June 14th, 1983, at 15.00 o'clock p.m. for the purpose of considering and voting upon the following matters:
1. To hear and accept the reports of:
a. the directors,
b. the statutory auditor.
2. To approve the balance sheet and profit and loss account as at February 28th, 1983.
3. Allocation of net profit.
4. To discharge the directors and the auditor with respect of their performance of duties during the year ended February 28th, 1983.
5. To elect the directors to serve until the next annual general meeting of shareholders.
6. To elect the auditor to serve until the next annual general meeting of shareholders.
7. Any other business.

In order to take part at the statutory meeting of June 14th, 1983, the owners of bearer shares will have to deposit their shares five business days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with one of the following banks:
—Banque Générale du Luxembourg, S.A.
14, rue Aldringen, Luxembourg.
—J. Henry Schroder Wagg & Co. Limited
120 Cheapside, London EC2V 6DS.
The Board of Directors.

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby gives notice that Tenders will be received at the Chief Registrar's Office, (Bank Buildings), Bank of England, London EC2R 8EU, on Monday, 6th June, 1983, at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1967, to the amount of £25,000,000.
2. The Bills will be in amounts of £5,000, £10,000, £25,000, £50,000, £100,000 or £250,000. They will be dated Thursday, 9th June, 1983, and will be due 91 days after date, without days of grace.
3. Each Tender must be for an amount not less than £25,000, and must specify the net amount per cent. (being a multiple of one halfpenny) which will be given for the amount applied for.
4. Tenders must be made through a London Banker, Discount House or Broker.
5. The Bills will be issued and paid at the Bank of England.
6. Notification will be sent by post, on the same day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and payment in full of the amounts due in respect of such accepted Tenders must be made to the Bank of England, by means of cash or by draft or cheque drawn on the Bank of England, not later than 1.30 p.m. on Thursday, 9th June, 1983.
7. Tenders must be made on the printed forms which may be obtained either from the Bank of England, or from the Council's Offices at The County Hall.
8. The Greater London Council reserve the right of rejecting any Tenders.
M. F. STONEFROST, Comptroller of Finance.
THE COUNTY HALL, LONDON SE1 7PB.
27th May, 1983.

THE GOLD EXEMPT FUND
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a Meeting of Holders of Units in The Gold Exempt Fund will be held at the Office of The Bank of Nova Scotia Trust Company (Cayman) Limited, Cardinal Avenue, George Town, Grand Cayman, on the 22nd day of June, 1983, at 11 a.m., when the following Resolution will be proposed as an Extraordinary Resolution:

THAT this Meeting of Holders of Units of The Gold Exempt Fund hereby sanctions and directs the execution of a Supplemental Trust Deed by the persons named therein as the Managers and the Trustee in the form of the draft produced to the Meeting and initialled for the purposes of identification by the Chairman, whereby certain modifications relating to an increase in the limit of Management Participation are made to the provisions of the Trust Deed dated 7th March, 1975, constituting The Gold Exempt Fund.

FOR THE BANK OF NOVA SCOTIA TRUST COMPANY (CAYMAN) LIMITED as Trustee for The Gold Exempt Fund.
E. C. WARWICK, Secretary.

Notes:
Any Holder in the Fund entitled to attend and vote at the above Meeting may appoint one or more persons as his proxy or proxies to attend and vote in his stead. A proxy need not be a Holder in the Fund.

Holders of Bearer Certificates who desire to attend or be represented at the Meeting must deposit their Certificates with The Bank of Nova Scotia Trust Company (United Kingdom) Limited at 12 Berkeley Square, London W1X 6HU not later than 11 a.m. on 10th June, 1983, against the issue of Voting Tickets. Only the person named in such Voting Ticket shall be entitled to attend and vote in person or by proxy. If such person desires to appoint a proxy he must complete the form of proxy on the reverse of the Voting Ticket and this form must be received by the Managers at P.O. Box 706, Grand Cayman, British West Indies not less than forty-eight hours before the time of the Meeting. Certificates so deposited will only be released at the conclusion of the Meeting (or any adjournment thereof) or upon surrender of the combined Voting Ticket and form of proxy issued in respect thereof. Copies of the letter sent by the Managers to registered Holders will be available at the Office of The Bank of Nova Scotia Trust Company (United Kingdom) Limited.

COMPAGNIE INDUSTRIELLE DES TELECOMMUNICATIONS CIT—ALCATEL
Corporation organised under French law (Société Anonyme)
Capital: French francs 136,942,000
Registered Head Office:
12, rue de la Baume, 75008 PARIS (FRANCE)
Headquarters:
33, rue Emeriau, 75725 PARIS
PARIS CEDEX 15
Trade register:
R.C.S. PARIS B 542 102 322

SECOND NOTICE TO HOLDERS OF BONDS 10¼% 1980-1991 CONVERTIBLE INTO BEARER SHARES

The holders of international convertible bonds 10¼% 1980-1991 issued by the Compagnie Industrielle des Télécommunications C.I.T.—ALCATEL who were called for May 25, 1983, being unable to meet validly for lack of quorum, the bondholders are again convened to an Ordinary General Meeting, at 50, boulevard Haussmann, Paris 9eme (France) on June 8, 1983, at 3 p.m. in order to consider the same agenda as for the first meeting, that is:
—Approval, pursuant to article 196 of French law of July 24, 1966, of the proposal to be submitted to the shareholders at an Extraordinary General Meeting to renounce their preferential right to subscribe debentures convertible into common shares.

To permit the bondholders to attend or to be represented at this meeting, the bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested.
The Board of Directors.

PUBLIC NOTICES

DEPARTMENT OF TRANSPORT
TOWN AND COUNTRY PLANNING ACT 1971

The Secretary of State for Transport hereby gives notice that the Order under S.209 of the above Act to authorise the stopping up of a length of John Carpenter Street, EC4 referred to in the notice published on 20 May 1981 (Ref: GLRT 38/5002/7/023), will not be made, the application for the Order having been withdrawn.

B. G. AUSTIN
A Senior Executive Officer
Greater London Roads and Traffic Division, Department of Transport
Ref: T7398/28/0219

METROPOLITAN BOROUGH OF BURY
£3m Bills issued 25th May 1983 due 24th August 1983 @ 9.84375 per cent. Applications £24m, total Bills outstanding £5m.

CITY OF CARDIFF
£1,400,000 Bills issued on Tuesday 24 May at a rate of 9²⁷⁄₃₂ to mature 23 August 1983. Total applications were £14,000,000, there were £1,400,000 outstanding.

HALTON BOROUGH COUNCIL
£725,000 Halton Borough Council Bills issued on May 25th, 1983, due August 24th, 1983, at 9.875%. Applications totalled £3.625m. £752,000 Bills are outstanding.

PUBLIC NOTICES

ST. HELENS BOROUGH COUNCIL
Bills issued 24.5.1983 £1.75m at 9⅞% due 23.8.1983. Applications £12.25m. Total outstanding £6.25m.

HERTFORDSHIRE DISTRICT COUNCIL
£3,000,000 Bills issued on Wednesday 25 May 1983 at a rate of 9 53/64 to mature 24 August 1983. Total applications were £37,000,000, there were £9,000,000 outstanding.

KIRKLEES METROPOLITAN COUNCIL BILLS
£3,500,000.00 Bills from 25.5.83 to 24.8.83 at 9 [illegible]%. Applications £38,500,000. £7,500,000.00 outstanding.

CONFERENCES

The School of Oriental and African Studies (University of London) Extramural Division and the Sino-British Trade Council announce

CHINA: LAW AND TRADE '83
a one-day Conference to be held at the School on
Wednesday 15 June 1983

Topics: Recent and proposed Chinese trade and taxation legislation and the prospects for trade; Chinese petroleum law; The Representative Office; case studies in joint ventures, licensing and technology transfer.
Fee: £75 (No VAT)
Enquiries to: Graham Thomas, Assistant Organiser, Extramural Division, School of Oriental and African Studies
Malet Street, London WC1E 7HP - Tel: 01-637 2388

TECHNOLOGY

EDITED BY ALAN CANE

HOW 'JAMMY FLUIDS' HAVE A ROLE IN AUTOMATION

Power to a robot's elbow

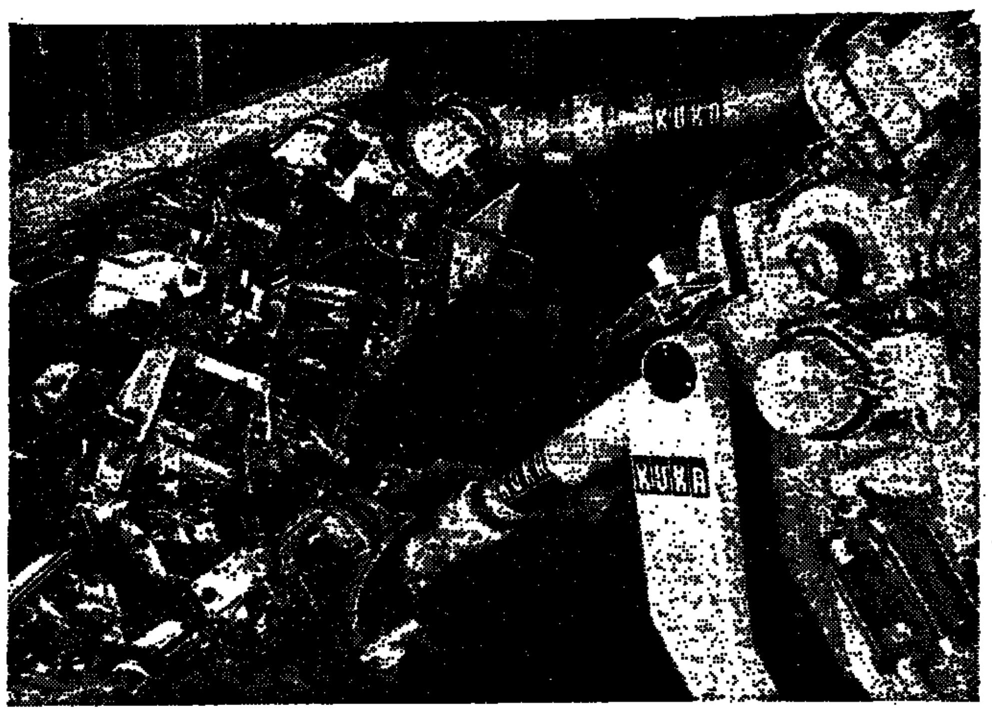
BY JOHN KERR

SCANT attention has been paid to "robot muscles"—the basic drive systems which control robot movement—despite the advances which are being made in this sector of the industry. Much of the interest has been centred around the ability for robits to "see" but these have overshadowed moves in the development of faster, more accurate, more reliable and more compact drive mechanisms.

Present robots systems designers have to make a choice between hydraulics, pneumatic, or electrics as the basic drive to provide the muscle power.

Hydraulics handle loads over 150 kg; pneumatics power pick-and-place machines and little demonstrator robots. But in the middle ground, electrics and hydraulics are locked in combat—with the former winning.

However, the so-called "jammy fluids"—largely overlooked by robotics engineers—could tip the balance in favour of hydraulics. These extraordinary liquids congeal instantly when a voltage is applied across their flow. Today's hydraulic robots employ several control valves, typically around £1,000 each. Used as low-cost valves with no moving parts, these fluids have considerable potential in fast and inexpensive servo-controls.



"Jammy fluids" are under investigation to provide more sophisticated and more compact drive mechanisms. Hydraulics could become a more popular way of controlling robot movement rather than pneumatics or electrics.

The robots above work on the bodyside assembly complex at Ford's Sierra body plant. These are just two of 54 such machines used by Ford for spot welding and sealer operations.

Potential

But other applications are legion. "The potential is very dramatic. They will open up a whole new area for electronic power supply," says Arthur Gerrish, R&D technical director of Laser Engineering (Developments), the London consultancy heading UK fluid work.

Backed by the Ministry of Defence and a club of motor, aerospace and oil drilling equipment companies, Laser Engineering is working on "dial-a-ride" vehicle suspensions that cope with all combinations of load, speed and road conditions; aircraft landing gear that responds quickly to rough emergency airstrips; vibrators for test equipment, anti-skid brakes, fluid couplings and much else.

The jammy fluids—properly called electro-rheological fluids—are an enigma. While their properties are well catalogued, nobody is sure how an applied voltage "freezes" them with no temperature change. The effect was first observed by American scientist William Winslow in 1947 but work in the USSR, U.S., Japan and Britain has been low-key until recently.

Even the recent 2nd European Automated manufacturing conference and exhibition paid more interest to vision systems for robots. Yet their potential cuts into many areas of technology.

The ER fluids are slurries—milky suspensions of micron-sized non-metallic particles in oil, the base oil something as common as kerosene. Indications are that they will be costly. Precise recipes remain under wraps.

On their own, they behave like ordinary fluids. But when a voltage is thrown across their flow they "petrify" and act exactly like solids. Under stress with voltage "on," they do not fail with a catastrophic crack like solids but like non-drip thixotropic paints, they "creep." Nor do they shear until the stress exceeds a value dependent on the field strength. Yield stress is directly proportional to voltage.

Response

Their speed of response is a big plus-point: bandwidths of 2 kHz are possible, giving "freeze" and "unfreeze" inside a millisecond. Low energy draw is another: a 2,000v field across a 1 mm gap is optimum. And ER fluid systems are compact.

To make a "clutch" two parallel plates containing ER fluid move relative to each other in shear. These shock absorber dampers hold promise for automotive use. Accelerometers on the front wheels could detect road conditions and modify suspension characteristics continuously by switching voltages in and out. In hydraulic rams, an excavator bucket or robot arm could be held in position indefinitely.

As "valves"—ER fluid flows between fixed parallel plates—fluidic switching devices interfacing with micro-electronic controls offer all types of hydraulic control set-ups. An ER fluid reaching a fork in a pipe can flow down either branch until a voltage is thrown across one route. The fluid there gels at once, neatly diverting flow down Route B.

A fascinating outlet, albeit on ice for now, is in computer print-outs where an ink-jet could be switched on and off at ultra-high speed.

Robots best

Mr Gerrish predicts some of the best applications for jammy fluids are in robotics. "I'm a little bit surprised that we haven't been approached by the robot companies," he adds.

An indication of why: robot giant Unimation is moving away from hydraulics except for heavy applications. At Fairey Automation, Swindon, technical director, Peter Burton explains: "We make ourselves aware of the new technology but it needs a lot of development. And it remains to be seen if electrics take over from hydraulics."

Hydraulic components firm Moog Controls of Tewkesbury, which unveiled a high-speed robot wrist at Automan '82, the UK robotic exhibition, glanced at ER technology nine months ago but has done nothing since. Product development manager, Phil Chambers, offers an explanation: "The price of hydraulic actuators has come tumbling down by 40 per cent over the past two years." But he sees promise in hybrid robots for the future: hydraulic wrists on electric arms.

Laser Engineering is now concentrating on fluid improvements. Britain is understood to lead ER fluid work and could have simple high-speed low-cost applications on the market inside five years. But as Chambers of Moog remarks: "We've got to look at these fluids again. If we don't look at new ideas like that in this country, the Japanese will."

RE-REFINING USED OIL PRODUCTS

Retrieving value from waste

BY ELAINE WILLIAMS

EVERY YEAR about 370,000 tonnes of waste lubricating oil go up in smoke, burned by industry as a second grade fuel. Only 25,000 tonnes are refined.

Kalle Kipatsa, founder of Oil Reclamation International, believes that Britain could reclaim a much higher proportion of these generally expensive oils.

He has developed a new process for re-refining waste oils which he says is far cheaper and simpler than present techniques.

Swedish born Kipatsa emphasised that his Revac process used no chemicals and therefore generated no toxic waste products itself unlike the traditional acid/clay method of refining used oil. He said that it will also be considerably cheaper to build and operate his plant.

M, Kipatsa said that by the use of vacuum distillation oil can be easily separated from their contaminants. The oil can be reclaimed to its original quality.

The basic process consists of four stages, three of which are centred around vacuum distillation. The reduction of pressure caused by the vacuum lowers the boiling point of the oils so that they can be distilled from impurities. It is a very well known process but has not been applied to the waste oil industry before, Mr Kipatsa says.

Swedish born, Kalle Kipatsa, aims to revolutionise methods of re-refining waste oil.

At the end of the three distillation stages the oil is passed through clay to restore the original colour or bloom to the oil. This is the traditional final stage of all waste oil recovery systems. The entire process is fully automated with an integrated microcomputer continually monitoring and analysing the product.

Mr Kipatsa had the idea while working with an oil recovery company in the U.S. using the traditional acid/clay process. Present plans are to have a full scale plant operating within the next months at an estimated cost of £300,000. The money has been raised mainly through bank borrowing. This investment compares with around £2m for a comparable plant using the acid-clay process.

A small pilot plant is working in the Docklands area of East London to demonstrate the principle of the process to the British used oil industry. It has the capacity to refine one tonne (about 250 gallons) of waste oil an hour. Mr Kipatsa estimates that there is a market in the UK alone for about 60 to 80 small plants. The U.S. market is about 10 times larger and Mr Kipatsa is keen to exploit the potential there.

The waste oil that is refined in the UK is treated at about six small plants and one or two large refineries. Plant operators include names such as Century Oil, Braybrook Brothers and Doulton. One of the keys to successful re-refining is a good network of waste oil collection companies to supply the raw material for the plant. There are already many established companies in the UK.

Photography

Kodak's new instant prints

THIS WEEK Kodak has announced a new development in instant print technology. Called "trimprint," it is a way of producing instant pictures which are as thin as conventional photographs. Until now instant prints have been more bulky than processed counterparts because the chemical backing could not be separated from the finished print.

The new film is designed for use with the company's current range of "Kodamatic" instant camera range. The development stems from Kodak's work on separating thin layers so that the image forming layers and the image receiving layers can be accurately split.

The film will be available worldwide from July. More details are available on 0442 61122.

Instruments

Speed monitoring

The latest addition to the Compact Instruments range of speed monitoring equipment is the 600R designed to measure both rotation and surface speeds in industrial environments. The instrument consists of a digital, handheld display unit with separate visible light sensor, connecting cable, and remote linear speed adapter with two contact discs and a contact cone. More details are available on 01-367 2989.

NEL TO BUILD BRITISH PROTOTYPE TO TAP SEA ENERGY

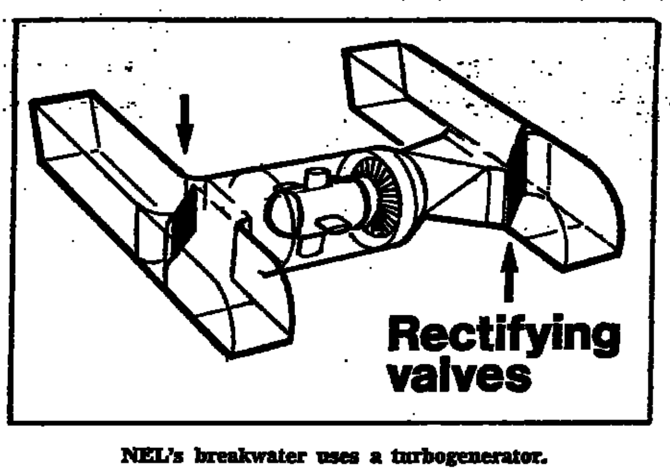
Wave power plans to woo buyers

BY RAY DAFTER, ENERGY EDITOR

WORK HAS begun on a two-year engineering and economic study which could lead to the construction of a £12m "shop window" for UK wave power technology.

The National Engineering Laboratory of East Kilbride, Scotland, is planning to build a 4 Megawatt prototype of its Breakwater wave energy concept so that it can demonstrate the design to potential buyers from overseas.

For the offshore power station is not being promoted as a means of providing the UK with base-load electricity but more as a source of power for remote communities where existing supplies are based on imported fuels and where nuclear development is unlikely.



NEL's breakwater uses a turbogenerator.

With this in mind the NEL plans to locate the demonstration plant off the island of Lewis in the Outer Hebrides. The device would probably be built at a West Scotland construction site and floated into position in much the same way as concrete oil platforms have been fabricated and installed.

First, however, NEL must demonstrate the commercial prospects for the plant. A six months study, costing £75,000, is now being undertaken by a working group led by Roxburgh and Partners, consulting engineers of Glasgow, and including a range of companies which might eventually be connected with the project. They include NEL, Morgan Grenfell (Scotland), British Electricity International, Sir Robert McAlpine and Sons, NEI Peebles, Sulzer Brothers, North of Scotland Hydro Electric Board, Merz and McLellan, Heerema Engineering Services and the Scottish Development Agency.

The working group is contributing £50,000 towards the study. The remainder is being provided by the Department of Industry.

If the findings of this research are encouraging the working group will spend a further 18 months on the design of the demonstration unit.

The Breakwater would be a concrete structure, fixed to the sea-bed in water up to 20 metres deep. It would operate by converting the movement of waves into a piston-like vertical motion of water in a chamber. Air trapped at the top of the chamber would be driven through a turbo-generator to produce electricity. Power would then be transmitted by conventional submarine cable to shore where it would be converted to alternating current mains supply.

The Breakwater was one of many devices developed in recent years under projects backed by the Department of Energy at a cost of over £12m. In the 1970s energy ministers saw wave power as one of the most promising sources of alternative energy. Consequently, the Government set a target to wave power interests: produce a model which shows the promise of producing power for 5p a kilowatt hour and which would justify the construction of a £10m sea-going 10 MW demonstration project.

FOREIGN EXCHANGE & MONEY BROKING

A Financial Times Survey to be published on July 1st 1983

For further details and Advertisement rates please contact:

Guy Mainwaring-Burton
Tel: 01-248 8000 Ext 3606

MPs committee backs review of drug profits

BY IAN HARGREAVES

STRONG backing for a Government review of profits made by pharmaceutical companies, drug wholesalers and chemists out of the National Health Service (NHS) came yesterday from the Commons Public Accounts Committee.

The committee says the existing mechanisms for price control have "not ensured the reasonableness of drug prices generally" and calls for a number of changes in the way the Government monitors the profitability of NHS contracts for the drug companies.

The committee also says that competitive pressures on the wholesalers of drugs "may not have been effective" between 1979 and 1980 and calls for closer investigation of whether reductions in profit margins since then have in reality been allowed to flow through into lower prices for the NHS.

As for the chemists, the committee expresses "great concern" that chemists in England and Wales should have delayed for several months their co-operation in a review of their own profit margins and says that in future compliance with such inquiries should be a condition of service for chemists.

Drugs cost the NHS more than £1bn in 1980-81 and an additional £234m was paid to chemists in fees and other allowances. Since the NHS is a monopoly purchaser, there has long been a complex mechanism designed to ensure that the profit margins of those who sell to the service are high enough to stimulate investment, research and a healthy industry, but not unreasonably high.

Among the manufacturers, the committee was told that the rate of return on capital in 1978 was 21 per cent, five percentage points above the return for UK industry as a whole and that this return increased to 22 per cent and 23.3 per cent in the next two years, even though profit margins elsewhere in industry were declining.

The committee suggests this margin, in common with margins in other non-competitive government contracts, is too high and proposes an average for such contracts of 17 per cent "at the most," against the current target of 20 per cent.

The committee criticises the Department of Health and Social Security for delaying its review of controls for years after it became evident that margins were higher than elsewhere in industry.

Chemists' margins have been governed over the years by a mixture of a rate of return formula and a second calculation designed to reimburse chemists for the costs of carrying stock.

Committee of Public Accounts, tenth report: Dispensing Drugs in the NHS. Commons paper 356. Stationery Office £4.15.

Coal and oil demand falling steadily

By Ray Dafter, Energy Editor

ENERGY consumption in the UK is continuing to fall as a result of the economic recession and conservation measures.

Figures published yesterday by the Energy Department show that in the first three months of this year consumption – measured on a primary fuel input basis – totalled 90.7m tonnes of coal or coal equivalent (mtce), 1.9 per cent less than in the first quarter last year.

Demand for energy has been falling steadily since 1979. Last year UK consumption fell to 310.9 mtce, 12.6 per cent less than in 1979, and 12.1 per cent less than in 1973.

The oil industry has borne the brunt of the fall. In the first three months of this year demand for oil products totalled 28.5 mtce, 9.6 per cent less than in the corresponding period last year. Since 1973 the consumption of oil products in the UK has fallen by about one-third.

The Government figures, published in the monthly bulletin Energy Trends, also show that coal demand continued to fall in the first three months of this year, totalling 30.5m tonnes as against 31.1m tonnes in the first quarter of 1982.

Increased success rate for offshore drilling operators

BY RICHARD JOHNS

RESULTS of exploration drilling on the UK Continental Shelf showed a marked improvement in the first quarter of 1983, according to the international petroleum consultants, Gaffney, Cline and Associates.

Their latest index records a success ratio of 33.3 per cent in the January-March period, compared with one of only 13.3 per cent in the last quarter of 1982. The outcome was the best since the middle of 1975.

The consultants say that they see no sign of the proportion of successful wells falling below the "relatively high level" witnessed since exploration in UK offshore waters began in the 1960s. At the same time they note that there has been a significant reduction in the ratio of discoveries as a proportion of wells drilled elsewhere in Europe, despite a number of successful strikes offshore of the Netherlands in 1982.

UK drilling in the first three months of 1983 continued at the same level as in the last quarter of 1982 in contrast to the rest of Europe where it was adversely affected by poor weather.

But the Gaffney Cline indices show a sharp decline in UK construction and development expenditure which is down 10 per cent and 23 per cent respectively in the first quarter.

Dr Tom Cox, managing director of Gaffney Cline, comments that although the recent eight-round licensing awards will stimulate exploration activity, this is unlikely to result in significant development activity until 1986.

Gaffney Cline recently calculated that the easing of tax terms contained in the 1982-83 budget would increase operators' net income from future developments from about 15 per cent to 25 per cent.

● Tricentrol, the UK independent oil company, and its partners in a group led by Texaco were the highest bidders for 21 tracts in the Gulf of Mexico in the latest record-breaking auction whose results were announced on Wednesday.

If all the bids are approved by the U.S. Department of the Interior, Tricentrol, which is the subject of fresh speculation in the City of London over a possible takeover move, will have a stake in 31 Gulf of Mexico leases covering nearly 148,000 acres.

Its share of the bids amounts to $16.7m. Apart from Texaco, its other partners in the Gulf of Mexico are Pogo and Union.

Lucas in jet engine deal with Shorts

By Our Belfast Correspondent

SHORT BROTHERS, the Belfast aircraft company, yesterday announced a partnership agreement with Lucas Aerospace to design, manufacture and sell jet engine components on international markets.

Shorts and Lucas are, respectively, leaders in the design of engine nosecowls and thrust reverser assemblies.

Under the agreement, announced at the Paris air show, the two companies will co-operate as equal partners to produce parts for the major engine manufacturers.

The agreement provides for one or other of the companies to adopt, for convenience, the lead position in any given project. The overall design, engineering, manufacturing and commerical responsibility would then be vested in the lead company throughout the programme.

Short Brothers has gained an international reputation for the manufacture of advanced technology nosecowls for the Rolls-Royce RB211 series engines. It sees the agreement as strengthening its aircraft component division.

Environment group attacks reactor cost

BY A SPECIAL CORRESPONDENT

THE CENTRAL Electricity Generating Board was accused yesterday of seriously underestimating the cost of the proposed Sizewell B pressurised water reactor (PWR) and being over-optimistic about its economic benefit.

The Council for the Protection of Rural England said the nuclear power station in Suffolk was likely to cost £1.74bn – about £600m more than the CEGB forecasts – and take 110 months, rather than 90 months, to build.

The council, an environment group, said it was basing its figures on PWR projects in the U.S., where the Westinghouse design – the basis for Sizewell B – has been used extensively.

It claims U.S. utilities have underestimated capital costs by up to 100 per cent, and PWR construction periods now varied between 102 and 123 months.

The council, one of the leading objectors at the Sizewell B public inquiry, is opposing the power station because it fears a series of PWRs is planned, each needing a remote site along England's coastline.

Mr Robin Grove-White, council director, said that industrial conditions in the UK appeared likely to lead to a longer construction time than in the U.S.

Costs would be higher than equivalent U.S. plants because of more rigorous safety standards, design changes, and the additional work being undertaken by the National Nuclear Corporation, he claimed.

Mr Grove-White said energy conservation would be more cost-effective than investing in new plants. He claimed the CEGB had been over-optimistic in its nuclear investment appraisal concerning capital costs, construction time, and fossil fuel prices.

According to evidence obtained by the council, oil prices to the year 2000 had been over estimated by the CEGB by 36 per cent for oil and 15 per cent for coal, he added.

Mr Grove-White said the CEGB's case for Sizewell B was "tissue-thin" and defective. The council's evidence suggested Sizewell B would probably not be cost-effective and would not reduce the CEGB's system costs. It was a high-risk investment which at best could be only marginally worthwhile, he said.

Mr Grove-White claimed the CEGB had vastly overestimated its capacity demand. Investment in conservation, better electricity load management and private generation could reduce existing demand and eliminate the need for any further power station for 25 years. The council also claimed that fears of professional victimisation had led to expert witnesses' declining to give evidence against the CEGB at the inquiry.

Thorn EMI radar order

BY LYNTON McLAIN

THORN EMI ELECTRONICS has been awarded a £35m order by the Ministry of Defence for further Searchwater radar sets for the armed forces.

The order is for the supply of radar sets for the Royal Air Force Nimrod maritime reconnaisance aircraft and for Royal Navy Sea King anti-submarine helicopters. The RAF order calls for the supply of Searchwater radars to complete the updating of all its fleet of Nimrod aircraft to Mark 2 status, and includes spares.

This radar is also being evaluated by the U.S. Department of Defence for possible use in the Lockheed Orion PS aircraft.

Searchwater radar was fitted to Royal Navy helicopters which operated in the South Atlantic at the time of the Falklands operation a year ago.

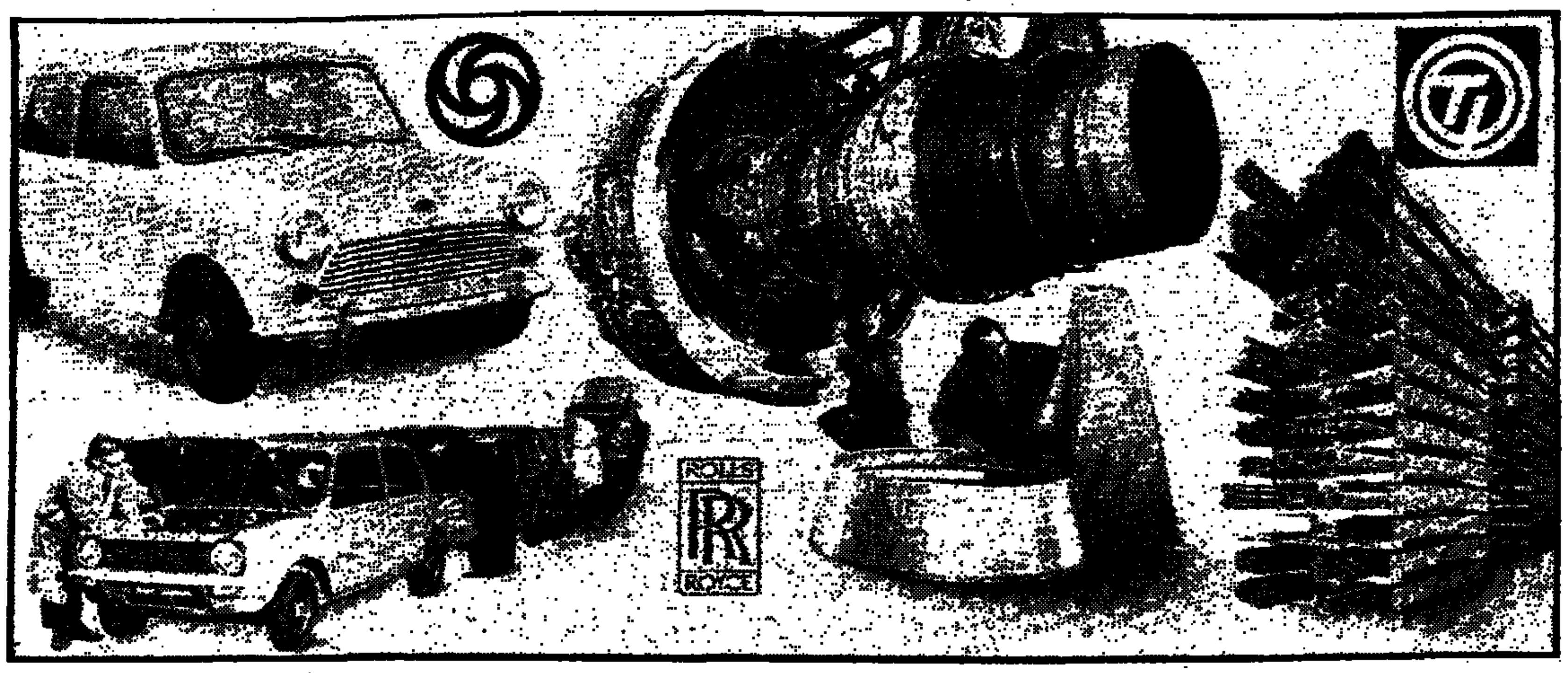
● Marconi Radar Systems has won a £4m order from Jordan for the supply of an airfield surveillance radar for Amman's new Queen Alya's international airport.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Mixed lessons of the IRC

Over the past 25 years governments in industrialised countries have experimented with a variety of instruments for intervening in industry. Italy has its big state-owned holding companies like ENI and IRI, France has its IDI (Institut de Developpement Industriel), while Japan has its well-tried system of administrative guidance through the Ministry of International Trade and Industry. Here, Geoffrey Owen reviews a new study of Britain's Industrial Reorganisation Corporation, set up by the Labour Government in 1966 to promote structural change in industry, and closed down by the incoming Tory government in 1970.



● In July 1968, the Industrial Reorganisation Corporation, the body set up by the Labour Government to promote rationalisation in British industry, was told by Tube Investments (TI) that it was considering a bid for John Brown, largely to acquire Wickman, its machine tool subsidiary; TI wanted to expand its machine tool activities to up to three times their present size. Nothing came of the TI proposal, but the IRC decided to look harder at other possible mergers in machine tools, "with the objective of putting the best management teams into more strategic positions."

Merger talks were encouraged between TI and Staveley Industries, with no result. An IRC bid for Staveley was even considered and later the IRC was prepared to support a bid by Slater Walker for Staveley, "provided that the subsequent rationalisation of the group was undertaken jointly with the IRC."

In the end, although some individual companies received IRC support, the Corporation found no way of bringing about a decisive change in the structure and performance of the machine tool industry.

● After the creation of British Leyland in 1968, in which the IRC had been deeply involved, the Corporation came to feel that it had been a mistake to combine the roles of chairman and chief executive.

It urged Sir Donald (later Lord) Stokes to appoint a new chief executive and made inquiries about outsiders who might have the right experience and ability. The IRC was also disappointed by the slow pace of integration after the merger, but despite the two loans it had provided the IRC "lacked the effective levers which would have been required to make changes which the British Leyland Board did not see as necessary."

● In 1969, the IRC was asked by the Ministry of Technology to investigate Rolls-Royce's financial prospects. The report pointed to severe weaknesses in the company's financial management and called for new appointments from outside the industry both to the Board and to the finance sub-committee. These and other recommendations met a stone-walling response from the company and it was not until July, 1970, when the financial position had worsened sharply, that an IRC loan and two new board members were accepted. In retrospect, it might have been better if more decisive action had been taken more quickly, but this would have laid the IRC and the Government open to the charge of interfering in the running of a private business.

The government of Mr (now Sir) Harold Wilson founded the IRC, whose first chairman was Lord Kearton centre). Mr Edward Heath's goverment unwound the corporation

"The underlying problem with this kind of situation is how the management of the company can be persuaded to accept changes. Shareholders, who have the power to change management, are usually ineffective in doing so."

These three cases, described in a newly published history* of the IRC, show how difficult it is for a government agency, even with substantial funds at its disposal, to effect change in industry. The IRC liked to think of itself as a prod, not a prop. In promoting mergers it aimed not only to achieve economies of scale, but to spread good management over a wider field.

Where the management was strong enough to take on the enlarged responsibility, as with GEC and the heavy electrical industry, the results of the IRC's intervention were impressive. On a more modest scale a useful job was done in mining machinery, where the IRC worked closely with the Coal Board to bring about rationalisation; the emergence of three main suppliers—Dowty, Dobson Park, and Fletcher Sutcliffe Wild (the Booker McConnell subsidiary now being sold to Dobson Park)—helped to strengthen the industry's international position.

In the fishing industry the creation of British United Trawlers (initially a joint venture between Ross and Associated Fisheries) served to separate out from two diversified companies a deep-sea trawling operation which proved to be viable and a nucleus for further acquisitions—until the "cod war" with Iceland undermined the economics of the business.

Many of the IRC's moves were in response to events. It had not, for example, given much thought to the bearings industry until it heard about merger talks between Ransome and Marles, the leading British company, and the Swedish-owned Skefko. The subsequent "British solution"—the merger of three companies to form Ransome Hoffmann Pollard—greatly offended the Swedes, but produced a well-managed company which coped well with the post-merger rationalisation. Subsequently, the drastic contraction among bearings customers, especially the motor industry, hit RHP hard, but it is probably true that more of a British bearings industry has survived than would have been the case if the Swedish deal had gone ahead or if the three companies had stayed independent.

Yet there was a danger, particularly in view of its opportunistic mode of operation, that the IRC and its chosen vehicle would underestimate the size of the task and the time-scale in which it could be achieved. One example was George Kent's purchase of Cambridge Instrument, designed as the first step towards the rationalisation of the British scientific instrument industry. It took too long after the merger to put an adequate management team in place. George Kent itself needed a great deal of sorting out; its financial room for manoeuvre was limited by the high price it had paid for Cambridge. The link between the scientific instrument side of Cambridge and the process control instruments which were Kent's main business was small or non-existent; the merger was probably misconceived from the start.

There was no sense either within the IRC or in the Government, whose agent it was, of a coherent industrial strategy in which priorities and objectives were carefully studied. The IRC wanted to get things moving, shake things up, and it seized whatever opportunities were available for doing so. According to the authors, one of the arguments for the IRC's entry into the battle for Cambridge Instrument—which had started with a bid for Cambridge from Rank—was that "taking action which was likely to lead to improved industrial structure, and hence performance, even at the risk of making things worse, was better than doing nothing at all." This could degenerate into a philosophy of action for action's sake.

Whatever the merits of the case, the IRC won the battle for Cambridge, just as it helped GEC win the battles for AEI and English Electric. It was a force to be reckoned with, in government, industry and the City. The Government began to make use of the IRC to carry out certain awkward assignments at the "interface" between industry and government.

The inquiry into Rolls-Royce was one, the rescue of Cammell Laird, the shipbuilding and engineering group, another. "Within about six weeks," say the authors, "the IRC had devised, negotiated and completed the arrangements for a scheme of daunting technical complexity and had succeeded both in rescuing Cammell Laird and in taking the first step towards restructuring its management."

Acting as the Government's merchant bank was not part of the original conception of the IRC, but it assumed greater importance in the last two years of its life as the merger-broking role declined. "The Government had by now come to see the IRC as a body which was very flexible, generally effective and reliable, and acceptable to the bulk of industrialists and the City. It was therefore very useful for dealing with situations where rapid action was required or where the Government wished to support industry at arm's length."

The "friend at court" role extended even to the investing institutions. Early in 1970, Sir Joseph Lockwood, then chairman of the IRC, was asked by major institutional shareholders to join them when they confronted Vickers on its performance.

"Much to his surprise he was expected to act as the institutions' spokesman at the meeting. Despite some acrimony, this eventually led to Vickers' decision to split the jobs of chairman and chief executive and to bring in Sir Peter Matthews to fill the latter role.

Yet for all its value as an independent adviser and as an instrument for getting things done, the experience of the IRC raises more questions than it answers about how the Government can help to improve industrial performance. Intervention in the UK over the past 20 years has mostly been *ad hoc* in character and short-term in its horizons. To some extent, this is the inevitable consequence of the swings in policy between Labour and Conservative Governments. After scrapping the IRC, the Heath Government found itself the reluctant owner of 25 per cent of George Kent. Just at the time when the new management needed guidance and support from its principal shareholder, the Government's main concern was to find a buyer for the shares.

The lack of consensus about industrial policy among the political parties, industry and the civil service makes it virtually impossible to formulate, let alone act upon, the long-term "vision of the future" which characterises the Japanese approach to these matters. There is a lack of continuity, of follow-through, in the British system which reduces the value of even the most sensible *ad hoc* interventions.

For example, the IRC saw numerical control (NC) as an important technology for the machine tool industry and its customers. To create an internationally competitive NC supplier, Plessey was encouraged to buy first Airmec from Racal and then the NC activities of Ferranti. But Plessey did not make the headway that had been hoped for and in 1979 sold the business to Allen-Bradley of the U.S. By that time the IRC had long since faded from the scene. Once again the Department of Industry began to worry about the lack of a strong, indigenous NC supplier—precisely the IRC's objective 15 years ago.

A consistent industrial policy cannot guarantee the success of particular companies or sectors (the UK has in any case put too much stress on backing individual companies as "national champions"), but a series of *ad hoc* interventions is unlikely to achieve the desired results. Some instruments of intervention are more effective than others, but a body like the IRC, however well run, is no substitute for a coherent set of policies towards industry which lasts longer than the life of one Parliament.

**The IRC, an experiment in industrial intervention, by Douglas Hague and Geoffrey E. Wilkinson, George Allen and Unwin. Price £18.50 hardback.*

Geoffrey Owen was on the staff of the IRC in 1967-68.

THE ARTS

Music

Arts Week

F	S	Su	M	Tu	W	Th
27	28	29	30	31	1	2

PARIS

Maurizio Pollini, piano. Beethoven, Schönberg (Mon), Theatre des Champs Elysees (723 4777).

Orchestre Colonne conducted by Lovro von Matacic: Chaikovsky (Mon), Salle Pleyel (563 8873).

Nouvel Orchestre Philharmonique conducted by Emmanuel Krivine, Fusako Margoni, Soprano: Mozart, Beethoven (Mon, 6.30pm), TMP-Chatelet (261 1983).

Alexis Weissenberg recital: Chopin (Tue), Theatre des Champs Elysees.

Ensemble Orchestra de Paris conducted by Jean-Pierre Wallez, Isabel Garcisanz, soprano, Marie-Therese Ghirardi, guitar: Spanish Evening (Tue). Salle Gaveau (563 2030).

Elisabeth Chojnacka recital (6.30pm). Francois Rabbath: Schubert, Bottesini, Bach (8.30pm). Traditional Kurd Music (10.30pm) (Wed), Opera Comique (296 0611).

Ensemble Orchestra de Paris conducted by Jean-Pierre Wallez, Richard Vieille, Clarinet, Trio Ravel: Bartok, Dvorak, Martinu (Thur), Salle Gaveau.

Alexandre Lagoya: Guitar (Thur), Salle Pleyel.

NEW YORK

New York Philharmonic: Raymond Leppard conducting. Del Tredici, Takemitsu, Maxwell Davies, Consoli: Afterimages (world premiere), (Thur). Avery Fisher Hall, Lincoln Center (874 2424).

Alfred Brendel: piano. Beethoven. (Tue). Carnegie Hall (247 7459).

New York Choral Society: Regular summer schedule of open choral readings includes guest conductors Larry Newland and Richard Westenburg doing masterworks of the choral repertoire from Bach to Stravinsky, featuring the Requiems of Berlioz, Brahms, Fauré, Mozart and Verdi. First performance is Handel's Messiah conducted by Frank Nemhauser (Thur). CAMI Hall, 57th & 7th Av (873 0096).

The day, the night: South African musical/visual work by Welcome Msomi (Fri-Thur, except Sunday, Monday). St Clements, 46th W. of 9th Av (582 1978).

Merkin Concert Hall: Benjamin Oren piano recital. Mozart, Schumann, Chaikovsky (Mon); Bernard Rose, piano. Bach, Copland, Beethoven (Thur). 67th W. of Broadway (362 8719).

CHICAGO

Chicago Symphony: Carlos Kleiber conducting. Butterworth, Mozart, Brahms (Thur). Orchestra Hall (435 8122).

International String Quartet: Menahem Pressler piano. Bartok, Brahms, Mozart (Mon). Mandel Hall (E. 57th & S. University. (924 2550).

New Philharmonic: Harold Bauer conducting, Frederick Hemke saxophone. Vaughan Williams, Ibert, Beethoven (Tue). Performing Arts Center (22nd & Lambert, Glen Ellyn, 858 2800–2036).

LONDON

Claudio Arrau, piano, 80th Birthday recital. Beethoven and Brahms sonatas. Royal Festival Hall (Mon). (928 3191).

Philharmonia Orchestra conducted by Norman del Mar with Ian Hobson, piano. Smetana, Rachmaninov, Sibelius and Chaikovsky. Barbican Hall. (638 8891) (Tue).

BBC Symphony Orchestra conducted by Vladimir Ashkenazy with Gidon Kremer, violin, and Mischa Maisky, cello. Brahms festival. Royal Festival Hall (Wed).

City of London Sinfonia conducted by Richard Hickox with John Lill, piano. Beethoven, Wagner and Mendelssohn. Barbican Hall (Wed).

Philharmonia Orchestra conducted by Seiji Ozawa with Salvatore Accardo, violin. Beethoven and Prokofiev. Royal Festival Hall (Thur).

Peter Katin, piano. Haydn, Beethoven, Debussy and Brahms. Queen Elizabeth Hall (Thur). (928 3191).

Wren Orchestra of London with Stephen Preston, conductor and flute and London Baroque Dance Theatre. Mozart. Barbican Hall (Thur).

ZURICH

Tonhalle: Tonhalle Orchestra with Elisabeth Leonskaja, piano conducted by Wolfgang Sawallisch. Chaikovskyy and Brahms. (Tue).

Theatre

LONDON

The Rivals (Olivier): Splendid National Theatre revival, cunningly designed by John Gunter to place us in the middle of 18th century Bath. Geraldine McEwan takes a fresh, inquisitive look at Mrs *Malaprop*, Michael Hordern is an unrivalled Sir Anthony. Peter Wood directs. (928 3252).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

Barbara Dickson in Blood Brothers at the Lyric Theatre, London

The Roaring Girl (Barbican): Jacobean comedy by Middleton and Dekker *with Helen Mirren as the eponymous* vagabond in a spirited production by Barry Kyle now playing in tandem with last year's The Taming of the Shrew from Stratford-upon-Avon. (628 8795).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Trafford Tanzi (Mermaid): Exuberant play starring Toyah Wilcox that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568).

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. (836 8108).

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252).

VIENNA

Vienna's English Theatre (42 12 60): Tonight At Eight. Three short comedies by Noel Coward. (Daily except Sun).

NEW YORK

Private Lives (Lunt-Fontanne): Elizabeth Taylor and Richard Burton add class to their own marital marathon with Noel Coward's frothy version of the reunion of a divorced couple meeting during their second honeymoons. (575 9200).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Showboat (Gershwin): A clever pastiche of vaudeville and theatre works like magic in the story of life on the Cotton Blossom where shows plied the Mississippi and provided unrivalled entertainment, especially with *this* production's outstanding feature performers giving heart-felt renditions of the 1927 Kern-Hammerstein songs like Ol' Man River, Bill, and Life Upon the Wicked Stage. (51st W. of Broadway, 586 6510).

Brighton Beach Memoirs (Alvin): As usual, Neil Simon is more funny than touching even when recalling painful puberty in 1937 as his family struggles with the Depression, with an excellent cast led by Matthew Broderick as the aspiring teenage writer. (757 8646).

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women re-opens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394).

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

WASHINGTON

Buried child (Kreeger): Vintage Sam Shepard, a 1979 Pulitzer Prize winner, recounts a family reunion in which the returning son is not remembered by the rest of the family and garbage ends up on the floor. (Arena, 488 3300).

Porgy & Bess (Opera House): This 50th anniversary production of Gershwin's classic American opera does justice to the music and sense of community established in Porgy's desperate love for Bess in their squalid Catfish Row lives. Kennedy Center (254 3770).

Room Service (Eisenhower): Made famous by the Marx Bros movie, this 1937 farce starring Hal Linden can stand on its own with the ribald story of an impoverished producer whose troop is stranded with no money in their New York hotel. Kennedy Center (254 3670).

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800).

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588).

Red River (Goodman Mainstage): Robert Woodruff directs David Mamet's translation of Pierre Laville's speculation on the lives of Bulgakov and Mayakovsky as the two Soviet writers struggle for their lives and work. (443 3800).

Cloud 9 (Apollo): The premier of Caryl Churchill's dissection of the English character seen first in the wilds of colonial Africa and then in a contemporary Islington garden follows Tommy Tune's New York production under the direction of Don Amendolia, who performed in the New York version. (2540 N. Lincoln, 935 6100).

Kennedy's Children (Pegasus Players): Robert Patrick's deadpan and discouraged discourse on the youth of the 1960s as reflected through the mirror of a New York bar in 1974 still reverberates in the 80s. (1020 W. Bryn Mawr, 271 2638).

Exhibitions

PARIS

Claude Monet: Homage is paid to his Giverny period with 45 of his paintings, including the nympheas, at the Centre Culturel du Marais, 28 Rue des Francs-Bourgeois (277 3225). Closed Tue. Ends July 17th.

Edouard Manet: An exceptional retrospective marks the 100th anniversary of the artist's death including Olympia, the Bar at the Folies Bergeres, Nana and Dejeuner sur l'Herbe. Paintings, which at the time created such a scandal, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and a pioneer of modern art. Grand Palais, April 16 – August 1, closed Tue.. Late night Wed till 10pm (261 5410).

LONDON

The Tate Gallery: The Essential Cubism is a wonderfully particular and illuminating exposition by Douglas Cooper and Gary Tinterow, with the choicest examples at every turn, of Cubism in its definitive period from 1907 to 1920. Braque and Picasso dominate the show, and as prime movers and principal exponents, so they should. But their relation to their immediate associates and followers is made clear – Gris the most substantial of them at the time, Leger the most idiosyncratic and independent, Laurens and Lipchitz the sculptors, Delaunay, Marcoussis, Villon, Gleizes and Metzinger. Ends July 10.

NEW YORK

Winston Churchill (National Academy of Design): Painting as a pastime includes 60 works borrowed from Chartwell and Churchill family members as part of the Britain Salutes New York Festival. Ends July 3. (89th & 5th Av.).

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America in nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

WASHINGTON

Three Figurative Artists (R Street Gallery): Oils by Liz Kelner Pozen punctuate Lee Newman and Joey Kossow's nudes with studies in concentration and contemplation over chess boards and other closely observed, minutely realized scenes.

CHICAGO

Chicago International Art Expo (Navy Pier): Though it lasts barely a long weekend, this annual event covers a lot of ground, including one-man shows by Nicholas Africano and Milton Avery with works from seven West German galleries, large sculptures by Frenchmen Bernard Pages, Etienne Martin and Ipousteguy and representative pieces from 116 galleries.

WEST GERMANY

Berlin, Nationalgalerie, Potsdamer Straße: Werner Knaupp, a contemporary German artist, tries to come to grips with death in paintings and drawings. Ends June 5.

Bremen, Kunsthalle, Am Wall 207: paintings, gouaches, water colours and drawings by Horst Antes, a German painter. Ends June 5.

Hamburg, Kunstverein, Glockengießerwall: Premonitions and fear of death, depicted by eight contemporary German artists, Ferdinand Hodler, the Swiss artist, and Edvard Munch. Ends June 5.

Hanover, Kunstmuseum, Urt-Schwitters-Platz: Paintings, sculpture and drawings by Umberto Boccioni, the Italian futuristic painter. Ends June 12.

Baden-Baden, Kunsthalle, Lichtentaler Allee: Retrospective of more than 200 works by Alexej von Jawlensky (1864 to 1941), the Russian painter, as well as paintings by friends and contemporaries. Ends June 26.

Munich, Haus der Kunst, Prinzregentenstraße: Contemporary West German painters and sculptors. Ends July 10.

ITALY

Venice, Cantieri Navala alla Giudecca. Works by Burri. Ends Sept 30.

Venice, Museo Correr. Engravings by 18th century Venetian artists from Carlevarijs to Tiepolo.

De Kooning in Amsterdam

Like Apple Pie – thought to have been introduced to the U.S. by Dutch immigrants – Willem de Kooning, the Rotterdam-born master of abstract art, is now claimed as a true son of America. In a way he is. It was in 1926, at the age of 22, that de Kooning stowed away on the steamship Shelley and started a new life in New York. In Holland he had been a house painter and decorator, and his only formal training in art had been evening classes in Rotterdam. In New York he struggled through the depression and with Jackson Pollock founded American Abstract Expressionism. Sculpture, paintings and drawings by de Kooning covering the years 1960-1982 can be seen at the Stedelijk Museum, Amsterdam, until July 3.

Walter Ellis

Opera and Ballet

WEST GERMANY

Berlin Deutsche Oper: Lucia di Lammermoor has Edita Gruberova in the title role. Die Hochzeit des Figaro, produced by Götz Friedrich, has Lucia Peacock and Wolfgang Brendel in the main parts. This week's highlight is Puccini's La Boheme with Mirella Freni and Barry McDaniel. (34381).

Hamburg Staatsoper: Die Wundersame Schustersfrau by Bernd Alois Zimmermann; Die Hochzeit des Figaro with fine interpretations by Judith Beckmann and Harald Stamm. (351151).

Frankfurt Opera: Parsifal in the ultra modern production; by Ruth Berghaus; Die Hochzeit des Figaro for the last time this season; Tosca, sung in Italian, with Raina Kabaivanska in the title role. Stravinsky's The Rake's Progress rounds off the week. (25821).

Cologne opera: Umberto Giordano's rarely-played Andrea Chenier, produced by Willy Decker, is premiering this month. It is conducted by Nello Santi and has Ernesto Veronellin in the title role. Fidelio with a cast headed by Jon Vickers and Johanna Meier, was revived triumphantly. Further performances are Don Pasquale and Turandot. (20761).

Munich Bayerische Staatsoper: Madame Butterfly has Gwyneth Jones in the title role. La Boheme stars Katia Ricciarelli in the part of Mimi. La Cenerentola, a Jean-Pierre Ponnelle production, features Barbara Daniel and Claus Hansjoe. Don Pasquale with an all-Italian cast is of respectable standard. Ein Maskenball with Ghena Dimitrova and Piero Visconti is well worth a visit. The *new production of Orpheus and Eurydike*, conducted by Eugen Jochum, has Brigitte Fassbänder, Lucia Popp and Julie Kaufmann. (21851).

VIENNA

Staatsoper (5324/2655): Der Barbier von Sevilla, Elektra, Tannhäuser.

Volksoper (5324/2657): Gasparone, Der Zigeunerbaron, Der Zarewitsch, Die Zauberflöte.

Raimundtheater (57 66 26): Boccaccio (Daily except Mon).

LONDON

Royal Opera, Covent Garden: Die Meistersinger revival, not quite on the level of last season's, still has a good deal to commend it – notably Colin Davis as conductor and Hans Sotin, Lucia Popp, Gwynne Howell and Geraint Evans among the cast. Don Giovanni shows off a dashing new occupant of the title role, Samuel Ramey, one of the world's best Leporellos in Stafford Dean, and a commanding trio of ladies in Mmes Plowright, Te Kanawa and McLaughlin; Rolf Reuter makes his first conducting appearance at Covent Garden. (240 1066).

Coliseum (836 3161): Festival Ballet with Romeo and Juliet and a new triple bill.

Sadler's Wells, Rosebery Avenue: London Contemporary Dance Theatre triple bill celebrating the work of Robert Cohan, followed by Cohan's Dances of Love and Death. (278 8916).

PARIS

Verdi's Luisa Miller conducted by Giuseppe Sinopoli in a new production by Luciano Damiani with Luciano Pavarotti as Rodolfo, Nadine Denize as Frederica and Montserrat Caballe as Luisa. Paris Opera (742 5750).

Les Indes Galantes, Jean-Philippe Rameau's opera-ballet in a new production conducted by Philippe Herreweghe. Choreography by Viola Farber. TMP-Chatelet (261 1983).

Offenbach's La Belle Helene in a new production conducted by Alain Lombard at the Opera Comique (296 0611).

Colourful Mimes, acrobats and dances of the Peking Opera at the Palais des Congres (758 1458).

NEW YORK

New York City Ballet: New York premiere of Twyla Tharp's Once Upon a Time, to music of Alexander Glazunov and starring Mikhail Baryshnikov highlights the week's mixed repertoire. New York State Theater, Lincoln Center (870 5570).

Les Grands Ballets Canadiens: 25th anniversary of this versatile group, with a premier homage to Fred Astaire, in seven sections to various songs, as part of the mixed genres in their *fortnight* programme. City Center, 55th E. of 7th Av. 581 7907).

CHICAGO

Barber of Seville (Athenaeum): Chicago Opera Theater production, in English, stars Cynthia Munzer as Rosina, Robert Orth as Figaro and Abram Morales as Count Almaviva, with Mark Flint conducting. (2936 N. Southport, 883 0555).

The Next Step (Auditorium Theatre): Dancer and choreographer Carrie Stern shows an Eastern influence in her work that combines autobiography with homage to American popular arts as well as reflections on such contemporary themes as the Iran–Iraq war. (70 E. Congress, 922 2110).

ITALY

Milan, La Scala: Schönberg Tryptich and Cosi Fan Tutte conducted by Riccardo Muti.

Cinema/Nigel Andrews

First the good news—then the bad

The Ploughman's Lunch
British Cinema at Cannes
That Championship Season
Subway Riders
Friday the 13th Part 3
Sting 2
Starflight One

British cinema today, like the British economy, is full of green lights and red lights winking in hopeless confusion together like a short-circuited traffic lamp.

Now the native film industry is booming, now it isn't. Now there's pie today, now there's hope just around the corner, now there's despair for a further decade. And standing firmly in the middle of all this fugal frenzy, like Moviedom's equivalent of North Sea oil, is Goldcrest Films and TV. They're the people who brought you boom time with *Gandhi* and *Local Hero*, who give us this week *The Ploughman's Lunch* and who have just struck camp in Cannes after being the most visible British presence there with a fistful of new films.

First the glad tidings. Goldcrest have clearly had their gambling nerve strengthened by the success of Messrs Attenborough and Forsyth, and are bravely extending the hand of encouragement to cinematic newcomers.

Charlie Dore as Susie in "Ploughman's Lunch"

The Ploughman's Lunch is written by novelist and television playwright Ian McEwan, directed by stage and TV producer Richard Eyre and gives a first movie starring role to one of Britain's best "new actors" Jonathan Pryce. *Runners* is made by the prestigious TV duo of writer Stephen Poliakoff and director Charles Sturridge. *Red Monarch* is an all too rare big-screen outing for one of Britain's best TV directors, Jack Gold. And *The Far Pavilions*—which was trailered at Cannes, not shown complete—is the first big screen directing assignment for Peter Duffell since his *England Made Me* in 1972 and the first full scale starring role for Ben Cross of *Chariots of Fire*.

Now the bad tidings. TV drama alumni do not always leap on to the big screen with talent flying and energy unimpaired. Both *The Ploughman's Lunch* and *Runners* are more like over-stretched telly plays than feature films; and the fabric strain tells in their painful visual thinness and their dependence on dialogue to do virtually *all* the work of pushing the story forward and/or embodying ideas and feelings.

The first, set in England during and after the Falklands Crisis, stars Jonathan Pryce and Tim Curry as two sour souled media pals duelling over Britain, life, ideas and a girlfriend who's also a media pal (Charlie Dore). Pryce is a lanky Fleet Street Hamlet, dour and doubt-bedevilled, who's currently researching for a book on the Suez crisis and finding strong modern echoes in the South Atlantic.

As Curry stands on the film's sidelines cracking smart aleck jokes (what a dire role this must have read as in the naked script), Pryce tries to romance the girl; tries to avoid romancing the girl's lovestruck Leftist Mum (Rosemary Harris living in a dacha in Norfolk); tries not to be unnerved by the challenge of radical commitment he finds in a group of Greenham Common-style women outside a military base; and finally goes to the 1982 Tory Party conference to see his romantic dreams collapse (girlfriend seen necking with Curry) and also, one opines—McEwan's sympathies not being exactly Thatcherite—his hopes and dreams for Britain.

The film fires—or tries to—on all symbolist cylinders. The girl is called Susie (echoes of "Suez"). Toryish invocations of Britain's noble past are parodied in the nostalgia-smoked fakery of the TV commercials directed by the girl's father (Frank Finlay). And if you're not struck by the spitting-image similitude of Suez and Falklands as twin pangs in Britain's history, then you're simply not trying hard enough.

Dramatically, the film is woeful. Eyre's direction is of the "Light two talking heads and shoot" school. The dialogue is in the ex-Portable Theatre style of Clapped Out Post Imperial Sardonic. A string instrument oft times spells out pain on the soundtrack, in case we're not feeling enough already. And Jonathan Pryce, so electrifying an actor on stage, here tends to resemble a dead Nicol Williamson.

"Goldcrest are extending the hand of encouragement to cinematic newcomers . . . but TV drama alumni do not always leap onto the big screen with talent flying"

Goldcrest's Runners, I regret to report, is even worse. Poliakoff's script is about two separate parents—a father (James Fox) from one family, a mother (Jane Asher) from another—who gallop off to London to seek their respective runaway kids.

As directed by Charles *(Brideshead Revisited)* Sturridge, the film seems at once hysterical and lifeless: an extraordinary combination. Hysterical because even after Fox's offspring is found alive and well and — forsooth — employed, the hand-wringing goes on. Lifeless because, as in *The Ploughman's Lunch*, the direction consists merely of talking heads blown up for the large screen.

Where are Goldcrest going wrong? Without wishing to join the already overmanned David Puttnam Fan Club, one must point out that Puttnam's genius as a film producer lay (lies) in his decision to pluck big-screen *directing hopefuls* (Scott, Parker, Hudson) not from TV drama but from the hitherto scorned arena of TV commer*cials. Puttnam saw that that* was where the visual explosiveness lay—compacted like plutonium in 30-second bursts—that could fill the big screen. Television drama has never been an ideal launching-ground for film directors: chiefly because the writer is kingpin there, and the director is trained not to yahoo us with inventive imagery but to be faithful to the script and dialogue and the heads-and-shoulders who speak them.

But even Puttnam, ironically, has come a cropper under Goldcrest's aegis. His Cannes-premiered *Red Monarch*, on which he was executive producer, was scripted by Charles Wood and directed by Jack Gold. It is a "comic" romp about J. Stalin. It endeavours to do for the scourge of Russia what Brecht's *Arturo Ui* did for the pest of Germany. Unfortunately it doesn't do it. Jokes fall to the ground like shotgunned grouse, and Colin Blakely (Stalin), a brave actor, can never have clenched that stalwart jaw or tweezed that nasal baritone with more effort and to less effect.

Which leaves The Far Pavilions. And on the evidence of the 12-minute trailer this royally batty adventure set in Imperial India should provide much polychrome fun. Admittedly Goldcrest's policy of unreeling the trailer before *each* of their programmes at Cannes caused a case of recurring habdabs in the audience. One poor patron, provoked by his Nth viewing of the scene in which an Indian girl is about to be assassinated atop a festal float, cried on the last afternoon at Cannes "Shoot her! Shoot the bloody bitch!"

But at least, praise be, here is a film that throws, the full colour palette at the screen (photography by Jack Cardiff), and whose G. A. Henty-ish loopiness is lent star lustre by a cast including Ben Cross, Amy Irving, Omar Sharif, Rossano Brazzi, Christopher Lee and the ever-inescapable Sir John Gielgud.

Meanwhile at Cannes, a few pavilions away from Goldcrest, two British films unfurled that showed more promise than any of the above. Both are from graduates of the National Film School. Michael Radford's *Another Time Another Place* touchingly narrates the "brief encounter," teetering on romance, between an Italian PoW (Giovanni Mauriello) and a Scottish married woman (Phyllis Logan) during WW2. The film doesn't quite stay its feature-length course, nor does Robert Wynne Simmons's tale of magic and persecution in olden Ireland, *The Outcasts*. But both movies have a natural, born-to-it filmic grace. And the first half hour of Simmons's film, climaxing in a hallucinatory forest scene of raking mists eerie *trompe l'oeil* and sudden magic, is electrifying.

*

Meanwhile, back in London. "You were one flesh 24 years ago, boys, never forget that" bass-burbles again basketball coach Robert Mitchum, resembling a large lizard with sleeping sickness, in *That Championship Season*. Jason Miller's Pulitzer Prize winning play climbs onto the screen, directed by Miller himself, looking not much more *distingué* than it did in its over-lauded stage appearances.

Bruce Dern, Martin Sheen, Stacy Keach and Paul Sorvino play the four fortyish ex-high school chums meeting in Scranton, Pennsylvania, to celebrate the anniversary of their State Basketball Championship under Mitchum's bleary, Big Daddyish gaze. Dern, with teeth, hair and eyes afire, is running for Mayor. (Would *you* vote for him?) Sorvino is running after Dern's wife. Keach is a fifth-rate schoolteacher trying to break into fourth-rate. And Sheen, stumbling horizontally from sofa to sofa with loosened tie, is on the bottle.

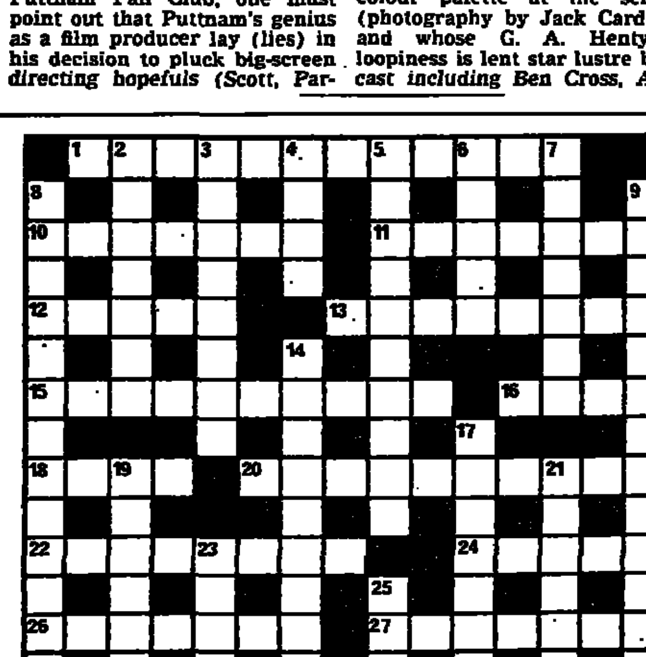
The film, like the play, resembles *Long Day's Journey Into Night*, re-written for five male voices by a misogynist computer. Women are much talked of but never seen. (Where exactly *is* Dern's much discussed wife?) Each character *gets a chance to break into* tears before being soundly slapped back to sense by Father Bear Mitchum. And after 100 minutes of this all-boys-together moralising, the film becomes as oppressive as being trapped in a locker room under an avalanche of athletic supporters.

*

The week's three least pretentious offerings are—in inverse numerical order—*Friday the 13th Part 3, Sting 2* and *Starflight*. The first is in 3-D and adds to the debauched delights of its predecessors the pop-out immediacy of stereoscopic knives, axes, pitchforks, etch. The second is a dreadful sequel to the Newman-Redford romp, in which Jackie Gleason, Mac Davis, Trei Garr, Oliver Reed and Karl Malden trip the light catatonic in a world of cons, cardsharps and rigged prizefights.

But the third is a cheerful, enjoyable bauble. Amid do-it-yourself Special Effects, Lee Majors, Hal Linden and Lauren Hutton accidentally propel the world's first hypersonic plane into Outer Space. Pilot Majors and publicist Hutton are on board, offering weightless coffee to the the terrified passengers. Designer Linden is lifted off midway by the space shuttle Columbia and brought down to NASA for consultations. And wicked, cost-cutting aero-tycoon Ray Milland stays on the ground throughout—sensible man—content to look bloated and evil and to roll B-movie lines round his mouth like vintage wine. The film is cut price, but fun.

F.T. CROSSWORD PUZZLE No. 5,182



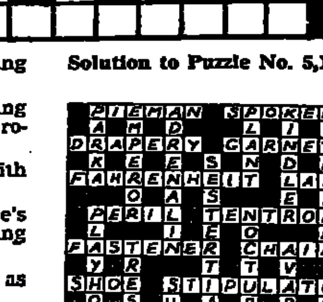
ACROSS

1 Sporting activity out of the sun? (6-6)
10 Establish firmly I'm a growing thing (7)
11 One who's fast may get into it (3, 4)
12 O, tree! Give a view! (5)
13 A matter of suspense? (8)
15 Tree in damaged N.E. sites present at the event? (3-7)
16 To get length, take top off crank (4)
18 I leave faith becoming awkward to handle (4)
20 A tailor's pattern or line marker (10)
22 Deduces trains (5, 3)
24 Worried about Unit's jacket? (5)
26 Never in, out, acting on the nerves (7)
27 Fashionable—a hit poem (1, 2, 4)
28 It describes the best courses (8-4)

DOWN

2 French drink in desire for the beer? (3-4)
3 He suffers with a bid to change name arising (8)
4 Funny people. You need them about you (4)
5 Taking a view of Hope (10)
6 Force to give me lip (5)
7 A nose from abroad (7)
8 Give one a hint—think wee point out (3, 3, 3, 4)
9 Sporting activity requiring legs (6, 7)
14 The purpose surrounding eastern adhesive is to provide outer covering (10)
17 Exchange hat—share with Miliaria (4, 4)
19 Lit up at year end, one's right in costing nothing (3, 4)
21 Defeat after cash is used as wrapping (7)
23 Incite cheat (5)
25 Where tops of cups are flawed eventually? (4)

Solution to Puzzle No. 5,181



FINANCIAL TIMES

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Friday May 27 1983

Learning from past mistakes

THE FUSS which has been made over the Treasury Committee's draft report on exchange rates is a sad reflection on the standard of candour that voters can expect at election time. Could the Tories on the committee possibly suggest that there could ever have been anything wrong with government policy under Mrs Thatcher? Perish the thought!

Yet that is exactly what they did say, and trenchantly, in an earlier report on monetary policy. It is not surprising, then, that the thought reappears, though in a slightly different guise, in a new draft drawn up under the eye of the chairman, Mr Edward Du Cann. He should not be so touchy on the subject; and nor should the Government, which has after all moved some way to meet the criticisms.

The draft is certainly not going to swing very many votes, for much of it is written in the most baffling academic language, and it descends at times into algebra. The idea that interest rates should be set at a level which insures that:

$$\frac{dy}{dx}\quad w(m-m_0)^2+v(e-e_0)^2=0,$$

which is the committee's central recommendation, will not go down well on the hustings. In English, this means that the Government should aim at some unspecified compromise between a monetary target and an exchange rate target, like the Germans and the Swiss.

Severe

Its central criticism, however, is hardly even controversial. It is that the depth of the UK recession was in part due to the excessive rise in the value of sterling in 1980 and 1981, which made exports unprofitable and opened the home market to a much higher level of import competition.

No industrialist would be likely to demur. Nor would ministers, if they were candid: to check further damage a large overshoot of M3 was permitted, and subsequently monetary targets were relaxed both overtly, in a higher growth figure, and covertly through base drift.

Monetary policy, in short, was unintentionally severe, as was openly explained by Mrs Thatcher's personal adviser, Professor Alan Walters, as soon as he took up his post. As the Americans have subsequently discovered, monetary aggregates can become so distorted at periods of high interest rates and rising exchange values that they are no guide at all to the thrust of policy. The exchange market, in which the supply of and demand for any given currency is balanced minute by minute gives its own clear message about whether supply is constrained.

Since the purpose of any intermediate target is to tell the authorities whether they are on track for their real objective, the committee might logically have called for the adoption of an exchange rate target for domestic monetary policy; instead, it calls for a compromise whose balance can be adjusted according to prejudice. Such compromises are the stock in trade of all-party committees. More contentiously, it prefers to target the real exchange rate (which tends to stabilise activity) rather than the nominal rate (which constrains inflation). It pleases both the major parties by rejecting the EMS.

Target

However, these choices are largely of academic interest; select committees are effective critics, but have never achieved much as policy-makers. The criticisms in this report are valid, but there is some reason to hope that they are largely historic. The Government and its advisers were unpleasantly surprised at the severity of the 1980-81 squeeze, and in 1981 they changed their policies, both fiscal and monetary. The revised national income figures show that there has indeed been some recovery, though a painfully slow one, ever since. There was a further, covert stimulus in March.

The fuss can do one piece of immediate good: it may help Ministers to resist the temptation not only to greet the recent rise in sterling as an international vote of confidence (which it is), but to treat it as good news and make it a target. The rate is in fact in danger of getting misaligned on the high side again. It would do even more good if Ministers responded by telling us not that they are resolute and infallible, but that they knew it all along, and can learn from their mistakes; but we must not ask for miracles.

The obstacles to lower air fares

THE Department of Trade's decision to allow the low-cost American airline People Express to go ahead with a cheap service from Gatwick to Newark, New Jersey, is welcome. There is every indication that demand for the seats exists and little to suggest that the airline is running undue financial risks on a route which saw Laker Airways flounder in the not so distant past.

Moreover, People Express had already been designated for the route some time ago by the U.S. Civil Aeronautics Board under the Anglo-American Bermuda Two air treaty. Further delay by the Department of Trade carried the risk that Britain's commitment to the agreement would have looked increasingly suspect.

It has been clear for some time that the department has been using People's Express's application as a lever in its wider negotiations with the Americans over anti-trust action initiated by the U.S. Department of Justice against a number of airlines, including British Airway and British Caledonian Airways.

Earlier this week talks took place in London in an attempt to resolve the problems raised by a criminal anti-trust grand jury investigation into possible collusion in transatlantic air services. The Justice Department's action followed an attempt by the British liquidator of Laker Airways to obtain redress in the U.S. courts for an alleged breach of the anti-trust Sherman Act.

Argument

The argument for linking People Express's application to the wider issue was that the Justice Department had introduced a new element of risk and uncertainty into the business of airlines flying transatlantic routes. If they respond uniformly to the new competitive challenge by cutting fares, could they find thmeselves subject to another prosecution under American anti-trust law all over again?

Since the grand jury investigation's purpose is simply to establish whether there is a case to be answered, the Americans have been predictably reluctant to respond to British demands that the action should be dropped. And it seems likely that the aim of the Department of Trade this week was to obtain reassurances for the future. Its position throughout has been that even if price fixing had taken place (which it does not accept) it would have been allowable under the Bermuda Two treaty and that the issue is thus not one for domestic anti-trust law.

Attempt

Whether it achieved much remains unclear. And it has to be said that as far as arguments about U.S. anti-trust law are concerned, the British position in this case is not an easy one to make since it runs in parallel with the Laker Airways' liquidators attempt to make use of U.S. anti-trust law to obtain treble-damages—a form of action which the British have strongly criticised in the past.

Moreover, on the parallel issue of extra-territoriality, which has been a bone of contention recently, the Americans have moved to pour oil on troubled waters. Last month a senior State Department official announced a range of statutory and diplomatic measures designed to minimise friction. As well as aiming to expand the practice of prior notice, consultation and co-operation with foreign governments when reguuatory, enforcement or investigatives acions raise dangers of conflict, there are specific proposals for closer inter-departmental co-ordination to ensure that the State Department can advise about foreign concerns.

How far such measures will soften attitudes on anti-trust matters remains to be seen. The Sherman Act gives rise to strong demonstrations of passion and principle in the U.S. judiciary, which are not readily susceptibe to diplomatic nicety. On the less arcane issue of the level of air fares, meantime, the decision on People Express will help allay fears that the British Government might be tempted to move in a less liberal direction over the transatlantic route.

AN INTERVIEW WITH MARTIN FELDSTEIN

'I am yet to be persuaded . . .'

By Anatole Kaletsky in Washington

CAN ANYTHING be done to protect the world economy from the instability of the dollar and the pressure of U.S. interest rates? Are the unprecedented deficits in the U.S. Government's budget threatening to stifle the incipient world economic recovery by gobbling up too much of the world's savings and disrupting international trade and movements of capital?

These two inter-related questions will dominate this weekend's economic summit in Williamsburg. Although they will be addressed primarily to President Ronald Reagan by the six other world leaders, Mr Martin Feldstein, the President's chief economic adviser, is the man who will be preparing many of the replies.

Mr Feldstein, although appointed chairman of the President's Council of Economic Advisers only last October after a distinguished academic career at Harvard and Oxford, immediately injected a a more restrained—some would say more responsible—tone into the Administration's domestic policies and forecasts. In the past few months he has focused increasingly on international matters, helping to raise hopes among some Europeans that President Reagan may come to Williamsburg with a less insular and simplistic economic vision than the one he brought to the last two summits.

IN the past four years the dollar has risen by between 40 and 50 per cent against other major currencies, when adjusted for inflation. The other summit governments and many of your own domestic industrialists have urged you to curb the dollar's strength. Do you agree, first of all, that the dollar is now "too high" in the sense that it will have to fall back sooner or later?

In the narrow sense that today's exchange rates are clearly not feasible as a long-run solution, yes. The kind of trade deficits we have now in the U.S. and which are implied by the present exchange rates are unsustainable. This is, in fact, one of the reasons why it would be a mistake to try to lock in these rates in any kind of fixed currency system, as some people seem to be suggesting.

But what I have said about the long-run does not mean that today's exchange rates are anything other than the equilibrium values valid for 1983—specifically for May 1983 — taking account of all the factors which the markets are now aware of, such as relative interest rates, budget deficits, economic forecasts and political uncertainties. In fact the interest differential between, say, the dollar and the D-Mark implies that the markets also expect to see the dollar fall—a 3 per cent differential, for instance, suggests the dollar falling by around 10 per cent over the next three or four years.

But for the moment the dollar remains high because of our large budget deficits and their effects on interest rates.

IF OTHER countries must wait for the U.S. to reduce its budget deficits before they can expect a weaker dollar, and considering that the 1983 and 1984 deficits now seem irrevocably stuck at around $200bn, do you think there is much hope that the markets might respond to promises from the Congress and the Administration to cut the deficits in 1985 and beyond?

If the Congress votes a budget which commits them quite irrevocably to revenue increases without the spectre that they will just spend the new money they are raising, the markets will definitely respond. Just consider the figures.

In the President's last budget (presented to Congress in February) we suggested $50bn of tax increases a year from October 1985 onwards. This would get the deficits down from from $200bn to the low hundreds because we would make large savings in debt servicing on top of the new revenues, so we are talking of 1.5 to 2 per cent of Gross National Product. Now, last year our net national savings—that it the total private sector savings left over after you deduct depreciation and the public sector's budget deficit—were about 2 per cent of GNP. So we would be practically doubling our net national savings. That has got to have an impact on interest rates and international capital flows.

EVEN if the Administration can do no more about the deficits for the moment, you could do something to reduce short-run currency fluctuations. The study on intervention commissioned at the Versailles summit showed that this can work to reduce currency volatility. Why do you still seem opposed even to this kind of "smoothing intervention" which would at least reduce the damage done by currencies overshooting their long-run levels?

Simply because there are virtually no gains from doing it and there are big risks.

No real economic activity is hurt by the kind of day-to-day fluctuations which can be smoothed out by intervention alone. Businesses can generally protect themselves against these currency movements in the forward markets for about one tenth of one per cent. If I as a businessman can protect myself against something for that kind of price, I can't believe that it is really terribly damaging.

BUT wouldn't more intervention stop markets feeding on their own expectations—concluding, for instance, that the dollar will go up tomorrow just because it has been rising and nobody has been selling it today?

I often hear this argument about expectations in Europe. "Of course a centime movement doesn't mean much," people might say, "but it frightens the markets and so they push the franc down even further." The trouble is that if more of the same kind of movement continues you never know when to stop intervening and pure "smoothing" intervention can't resist a continuous market movement, by definition.

The risk of this kind of intervention is that in attempting to get rid of the "pure noise" in currency movements you may start pushing against the fundamental forces. You are tempted to say, "I know that the right level for the pound is $1.56, for instance, and I will intervene to hold it." If you prove wrong then, in the end, you will lose money if you "sterilise" your intervention by buying back in the domestic money market as many dollars as you sold in the foreign exchanges. Of, if your intervention is not sterilised, you will change your domestic monetary policy.

BUT many economists, including some quite conservative ones, have argued that your monetary policy is too tight and indeed that the strength of the dollar and the capital inflows into the U.S. prove this. In that case unsterilised intervention would be appropriate, not inflationary.

I am yet to be persuaded by these arguments. There is no need to see the exchange rate as a symptom of monetary tightness. Our monetary targets are quite consistent with about 9 per cent nominal GNP growth.

'There is another rationale for resisting exchange rate movements–what some people call discipline'

In that case you would in effect be changing the fundamentals to make your original hunch about the right exchange rate valid?

That's right— we could inflate a bit and bring the dollar down that way. But not only do we object to doing this for domestic reasons, reducing the exchange rate like this in nominal terms would not help our businessmen at all because it is the real exchange rate which determines their ability to compete with other countries. The real exchange rate is not improved by a nominal devaluation which is accompanied by higher domestic inflation. Similarly we could encourage the Germans to intervene by buying up more D-marks. But I see no reason why we should impose deflation on Germany any more than inflation on the U.S.

The only reason for a more expansionary monetary policy might be if a decline in interest rates increased the demand for money, as we saw last Fall. The Fed would have to accommodate this in M-1 as they did last year.

But there is every reason to think that our interest rates are high for non-monetary causes —as a result of the deficits. And the capital inflows just don't seem large enough to have a major impact on the money figures.

THE U.S. often calls for "policy convergence" from other countries as a precondition for any idea of currency stabilisation. But everything you have said suggests that the country which is out of line with the rest of the world is the U.S. and that your domestic policies, rather than those of, say France, are causing the dollar to rise.

My understanding of the phrase "policy convergence" is that it's basically about inflation. But even on this we don't see ourselves lecturing anyone else. I suppose the French and Italians may be lectured a bit by all the other summit nations together and by the IMF.

I would not deny that our budget deficits are a cause of currency movements. What we are saying, though, is that irrespective of the deficits, convergence of inflation rates would still be a necessary condition for currency stability.

If the fundamentals call for a strong dollar for the time being, as you seemed to be suggesting, do you think the Europeans are just doing themselves harm by trying to keep their currencies from falling against the dollar?

There is another rationale for resisting exchange rate movements—what some people call "discipline." This may be an important issue depending on the political conditions.

Economists like to say that having floating exchange rates adds one degree of freedom to economic policy, but for politicians fixed exchange rates can actually make some things possible which would be politically unacceptable otherwise.

This is not true for the U.S. because the value of the dollar has no political symbolism. But in other countries, if governments want to deflate, concern about the currency makes it politically possible. I am not saying they ought to deflate in the present circumstances, just noting that politically it is always easier to expand than to deflate and the exchange rate can give politicians a reason for deflation.

BUT most European governments are now primarily concerned with economic recovery, so does their attitude to the dollar surprise you?

It did at first, but I think I understand it better now. In a way, of course, the strength of the dollar and our trade deficits are helping the rest of the world recover. If we'd had a better balanced domestic expansion—with more on the monetary side and less on the fiscal side—of the kind our trading partners have been suggesting, it would have been better for our economy. But it would actually have helped others less.

But other governments don't see the strong dollar as an unmixed blessing because it puts upward pressure on their inflation and forces them to offset these pressures, at a price. The politicians see this clearly while the businessmen are less aware of the advantages they enjoy from an undervalued currency.

Our deficits also keep world interest rates higher than they otherwise would be and this is something that other governments cannot control and understandably dislike. These interest rates then exacerbate the problem of financial investment being too attractive relative to investment in plant and equipment — something the Germans are particularly sensitive about.

IS there no way that other governments can insulate their domestic interest rates from the effects of the U.S.?

Only by letting their currencies fall so far that the markets come to expect a rebound big enough to compensate for the interest differential.

But governments can insulate their domestic economies from some of the harmful effects of high interest rates if they wish. They can offset the general deflationary effects through fiscal policy. If they thought that the current situation would persist they could also escape some of the harmful microeconomic effects by redesigning their tax systems to encourage real capital investment more strongly, for instance.

DO you agree then with Mr Donald Regan, the Treasury Secretary, who said last week that it was "stupid" of European governments to complain about U.S. budget and trade deficits, since the budget is helping the U.S. recover while the trade deficits are pulling the world out of recession?

Domestically, I do not think our recovery is a result of fiscal stimulus. High interest rates have given us a trade deficit of 2½ per cent of GNP. The reduction in investment and in consumer spending on interest-sensitive items must add up to at least another 1 per cent. Together these more than offset the fiscal stimulus from having an excessive budget deficit.

But insofar as the Europeans and the rest of the world in the past have been afraid to expand because of the balance of payments constraint, our deficits certainly give them more room to grow.

Men & Matters

Happy landing

For more than two months the City has been wondering about the future of David Macdonald, former director-general of the Takeover Panel, once heir-apparent at Hill Samuel, and the man who resigned as chief executive of merchant bank Antony Gibbs in March.

The departure from Gibbs was seen as a result of Macdonald's unhappiness about changes at the bank, particularly the new requirement for closer ties with parent Hong Kong and Shanghai Banking Corporation's merchant bank, Wardley.

Now the eagle has landed. Macdonald is to join Credit Suisse First Boston on a part-time basis. Jack Hennessy, CSFB's chief executive, tells me that Macdonald will provide advice and assistance in the "trans-national mergers and acquisitions business" as well as in UK merchant banking.

Macdonald will continue to keep his finger in other pies such as his involvement as *chairman of Bath and Portland* PLC, and his directorship in Sears Holdings and Coutts.

Hennessy says that the Macdonald post at CSFB will be as a "senior adviser" and this will be outside the normal structure of deputy chairmen and executive directors. "It won't be nine to five every day," explains Hennessy.

Does this signal CSFB's desire to move away from the wonderful world of Eurobonds, where it has a top sales reputation?

Certainly not, says Hennessy. But the UK merchant banking business, where CSFB is hardly a household name, is seen by the bank as an area of "long-term development."

"At the moment you fire when ordered — under a Labour government you would consult the Party Manifesto"

Tookey's watch

Richard William Tookey, aged 48, has taken over the bridge as president of the General Council of British Shipping at a time when the British merchant fleet is bucking a Force Eight gale.

From being the biggest fleet affoat it has fallen to number seven in the world shipping league.

Tookey is far from depressed, however. As a keen yachtsman on the River Medway perhaps he contemplates on his sailing weekends that the Dutch penetrated that river in the 17th Century and left British naval strategy apparently in ruins at the time.

As an experienced shipping man — he is in charge of the Shell international fleet — he foresees British ship-owners grasping a new range of market opportunities.

Speaking as an insider he forecast to me yesterday that the decline in the oil trade is unlikely to be reversed in the near future. But he is optimistic about prospects for bulk carriers and container ships.

"British shipowners are still active in all sectors of shipping," *he says "and it should be re*membered that, as a nation, we still have a bigger share of world shipping than we have of world import-export trade."

Wrong cover

Throughout the revelations, embarrassments and upheavals, which have afflicted their market in recent months the 20,000 underwriting members of Lloyds of London have enjoyed one steady consolation—the splendid Captain's Table—their private restaurant in Lime Street in the City of London.

Its special qualities were discovered almost by chance by interested outsiders—the board of the potters Josiah Wedgwood and Sons.

Wedgwood has formed the habit of distributing 50 inscribed Jasperware plaques worldwide every two years to the caterers it feels most deserve the accolade by serving good food on Wedgwood ware.

By chance the potters penetrated the innermost fastnesses of Lloyds. And almost at once decided the Wedgwood plaque must be awarded.

Relentless to seek out the facts I had lunch at the Captain's Table myself yesterday with the Wedgwood people.

Turning over my dinner plate I read—"Royal Doulton."

Business risk

While Graham Sherren and Roy Assersohn stoutly protest that in their new business venture they are not banking on a Conservative election victory I can only comment — it must help them.

Former architect of the Morgan Grampian business publications empire Sherren — who sold out to Trafalgar House for £20m — is putting up some £700,000 to launch and promote Your Business. This new *magazine* will be aimed good and hard at the market created by Britain's fast-growing number of small independent businesses.

Assersohn, formerly Daily Express City editor, is providing both publishing and editorial expertise.

There can be no doubts about Mrs Thatcher's enthusiasm for small businesses following her early experience in the family shop at Grantham.

But Sherren is, I feel, being a trifle optimistic when he asserts that a Labour government would be equally anxious to press ahead with a programme to the small, independent trader's advantage.

The point is academic, however, as plans for the launch of the new magazine next September have already been hardened up.

It will have a print run at first of 60,000 fortnightly and Sherren's target is to see a copy inside every one of the 514,000 British businesses employing under 200 people.

Dead cert

Strange things happen in Irish rural elections which might well mystify British politicians.

But even the hardened campaigners in Fermanagh-South Tyrone were surprised by one postal vote application which turned up this week.

It was accompanied by a doctor's certificate testifying that the applicant was incapacitated and would be unable to go to the polling station. True enough—he had been dead for six months.

As one canvasser said, "It's not unknown for the dead to vote in this constituency—but they don't usually apply for postal votes.

Observer

THE WELFARE STATE

Radical dreams, costly pledges

By Ian Hargreaves

MARGARET THATCHER became Prime Minister in 1979 on the basis of a manifesto which said almost nothing about social policy, but she goes back to the country amid widespread allegations that her aim in a second term of office will be to dismantle the welfare state.

Since the current manifesto is not much more forthcoming than its predecessor, the argument about radical intentions has to be tested in three other ways: against the public comments of Mrs Thatcher and other senior ministers; against a series of policy discussion leaks in the last nine months and finally against the record.

Mrs Thatcher has devoted few words to social policy. Her favourite quotation is Winston Churchill's remarks about the need for a ladder of opportunity and a safety net for those who stumble. She also speaks warmly about "this great benefaction feeling" she believes exists in Britain and which the Government has tried to foster in its support for voluntary organisations and charitable giving, which are seen as potential if partial substitutes for bits of the welfare state.

If a comprehensive philosophy on welfare exists in the Cabinet, its most careful exponent is probably Sir Geoffrey Howe.

In an article earlier this year, Sir Geoffrey argued that public spending must fall as a proportion of national income not only for reasons of economic regeneration, but because monopolies in welfare are as bad for the consumer as monopolies in commerce. As examples, Sir Geoffrey suggested charges for certain welfare services "as a preliminary to some form of private sector involvement," extension of private health insurance and greater use of voluntary organisations to mop up the unemployed in the performance of socially useful tasks. The objective, says the Chancellor, "is not to defend a rump of privilege for the few but to enlarge the bridgehead of choice for the many."

The leaks from the Think Tank and the ministerial family policy group went a good deal further. The former, making deeply pessimistic assumptions about growth, unemployment and the defence budget, concluded that public spending was out of control. Radical measures, such as private insurance to replace the National Health, vouchers and student loans in education and de-indexation of social security benefits were postulated. The document, along with subsequent similar leaks have been rapidly disowned by the Prime Minister.

The family policy group documents were more rambling and less sensational, painting a slightly quaint picture of a group of politicians yearning not only for education vouchers (now, apparently, off the agenda), but also for women to stay at home and look after the kids and the old folk.

When it comes to deeds rather that words, the picture is equally murky. Social spending rose in real terms from £54.6bn in 1979 to £57bn this year, claiming about 54 per cent of total public expenditure in each year. The growth factor, however, has been the social security budget, up from £25.4bn to £30.5bn, four-fifths of which is index-linked, and which has been swollen by the rise in unemployment.

The big drop to offset this has been in the housing programme (down from £5.9bn to £2.5bn), where subsidies to council tenants have been cut back from rough parity with those offered to mortgage holders to one quarter that level. Council rents have doubled under Mrs Thatcher and Shelter, the pressure group, says the country is short of 800,000 dwellings.

> 'When Mrs Thatcher took office fewer than 3m people received supplementary benefit, the final, means-tested safety net. Today the figure is well over 4m.'

In health and social security there has been modest growth in spending, although this was needed to keep pace with demographic and medical changes. Perhaps more important for the political debate has been the fiscal inducements which have helped almost to double the number of subscribers to private health insurance (now over 4.1m) and the sharp rises in prescription and dental charges which have nearly doubled NHS income from customer payments. Some hospital services, such as parts of laundry and cleaning, have also been contracted out to the private sector, but private contracts still account for less than 0.2 per cent of NHS expenditure.

Gradualism has also ruled in social security. Benefits have not been slashed, but they have been nicked here and there by 5 per cent, with most but not all of the cuts proving temporary. The indexation formula was also made less generous.

Apart from that, as a recent survey* by the Child Poverty Action Group (CPAG) makes plain, the changes have been widespread, but perhaps not profound: the proportion of children provided with a school meal has dropped from over one in six to under one in five and in many schools parents now have to buy text books, which can hurt children from poorer families.

More important, fiscal policy has raised sharply the proportional tax burden on the lowest paid (up 6.5 per cent for the family on average earnings) while reducing it for the highest paid. When Mrs Thatcher took office, fewer than 3m people received supplementary benefit —the final means-testd safety net in the British system. Today, the figure is well over 4m, meaning that almost 7m people, an eighth of the population, is living on the state-assessed poverty line.

"This is an unprecedented post-war increase in poverty and, despite Government claims, the burden of the recession has not been shared fairly. The gap between rich and poor has got wider," says Ruth Lister, director of CPAG.

Even the CPAG survey, however, argues that "it is premature melodrama to speak of the welfare state dismantled." Several contributions point to continuity between the record of Labour and Conservative Government. This continuity is also acknowledged in a recent collection of Fabian Society essays on the welfare state, in which an attempt is made to resolve tensions between the collectivist reforming ethos of old, whose goal was uniform provision throughout the land, and the more recent desire for more flexible services and more local control.

Labour's manifesto, however, is primarily a list of expensive promises: £2 a week on child benefit (cost £1.2bn); £1.45 on the old age pension; 3 per cent a year extra on the NHS and 4 per cent on social services; a council house rent freeze and a 50 per cent increase in the housing programme. And this is just the initial crash programme.

The risk, of course, with such shopping lists is that they strain credibility. Even the Fabian essays point out that the plans for larger transfer payments and more services in Labour's 1982 policy statement, from which the manifesto is drawn, do not add up. "If the party does not reconcile these aims while it has time, the foreign exchange markets will do so thereafter," it says.

On the other hand, Labour has much to gain politically if it can cast itself as the defender of the NHS and the rest of the welfare state, which recent opinion polls suggest remains fairly sacred in the British way of thinking.

The Alliance, meanwhile, is blazing away with ambitious projects of the centre. To call its SDP-originated plan for social security "the new Beveridge" may be a touch grandiose, but the proposed tax-credit system would have the great merit of eliminating the serious problem of the low take-up of several of the 44 benefits which constitute the existing social security maze. A £1.75bn package, including rises in child benefit and unemployment benefit, would launch the policy and it would be paid for, chiefly, by scrapping the married man's tax allowance.

Conservatives criticise the plan on the grounds that it would expose even more people than currently to high marginal rates of tax and so undermine wok incentives. It would penalise married couples whose children have grown up. Labour dislikes it because it dislikes means tests, preferring to base policy on universal benefits.

This debate between universalism and selectivity is bound to remain central at a time of public spending pressure.

While the Think Tank's account was calculated more to frighten than inform, by the end of the century we will have 20 per cent more over-75s and although the number of pensioners has now stabilised, inbuilt factors in the system guarantee, according to some independent estimates, a doubling of costs. The elderly already cost three times more than the unemployed in benefits, not to mention the demands they place on the NHS.

In searching for a "community care" approach to looking after the old, however, Mrs Thatcher's ministers are neither breaking new ground nor certain to find cheaper solutions. Mr Norman Fowler, the Social Services Secretary, argues "the idea never was intended to be a cheap option." He believes that care for old people within their families is desirable "in terms of quality of care," but he is unable to offer much in the way of commitment that the Government would, for example, extend invalid care allowance to married women—the obvious policy to encourage such a process without causing hardship.

Mr Fowler says the essential difference between Labour and Conservative social policy is the former's desire to do everything through central or local government against the latter's desire to harness what is seen as the bonus of private sector resources and voluntary effort.

His opponents say the real aim is an American-style two-tier health service, with the poor left to rely on inferior welfare hospitals. They also argue that as North Sea oil ebbs and the pressures rise against the social share of public expenditure, benefits will be cut. Certainly the Tory manifesto is carefully worded to permit the possibility of de-indexing or cutting unemployment benefits, which some ministers would like to see anyway as part of the drive to reduce wages and price more people into low-paid jobs.

At this stage, however, all that can be said with certainty is that Mrs Thatcher has encouraged a swirl of radical ideas, without even feeling enough confidence to discuss them publicly. As you look back at the paucity of her own remarks on the subject, it is hard to avoid the impression that she has not yet made up her mind.

Thatcherism and the Poor. CPAG, 1 Macklin Street, London, WC2B 5NH £2.25. The Future of the Welfare State ed. H. Glennerster. Heinemann. Case: £14.50 Paper: £5.95.

Lombard

Elastic glossary of default

By Nicholas Colchester

"MORATORIUM" is the up and coming word in the lexicon of international bank debt. It is not a new word, but its emergence marks the next stage in the Western banking system's progressive suspension of disbelief. It now seems possible that Brazil will declare a moratorium on part or all of its foreign debt and let Western banks, their regulators and their auditors decide what to make of it.

There is an ascending scale of terms used to describe the manoeuvres with which borrowers and banks draw a veil over the former's inability to repay the latter. They are used so frequently and loosely that a glossary may be in order:

The scale starts with *refinancing* in which a borrower pays off one loan with the proceeds of another from the same, or another, lender. It moves on to *restructuring* where a borrower arranges to replace debt of one maturity with debt of another, and usually longer, maturity and possibly of a different type—the issue of securities to pay off bank debt, for instance. Both these manoeuvres cover a wide range in the spectrum of disquiet: in arranging either bankers can do everything from rub their hands with satisfaction to wring them with impotence. It depends upon the credit status of the borrower and the degree of *force majeure* involved.

Next on the scale comes *Rescheduling*. The whiff of euphemism now makes it obvious that tension is rising. Rescheduling involves delaying the moment when the principal of an existing debt is repaid. Interest should continue to flow and the banker may exact a fee and a higher margin in return for the prolongation.

Default is the most common and most confusing term of them all. Used loosely as a verb — "Poland has defaulted" — it means anything from failure to make an interest payment to intent never to pay off a debt at all. More technically and precisely, the state of default is a state imposed at the whim of the lender. Given the failure of a borrower to meet the terms of a loan—the *event* of default — the lender has to decide whether to *declare default*.

This is a tricky decision because such a declaration by one lender often gives rights to others to follow suit and bring the borrower's finances crashing down. Hence the tendency is to "reschedule" before or after the "event of default" and to avoid "declaration of default" for as long as possible. The word default offers much scope for imprecision.

Moratorium is the next rung up the ladder. It is a declaration by a borrower that he needs a certain time to sort out his affairs and that during that time he will make no repayments of principal due.

Finally there is *repudiation*. This is the borrower's ultimate deterrent—an outright declaration that he does not intend to service or repay existing debts. At every earlier point on the scale the banker can convince himself that his loans may yet *perform*, but with repudiation such hopes must vanish.

Shocks

It is in moving up this scale of words, towards repudiation, that the Western credit system has shown itself to be so extraordinarily elastic—much more elastic than in the days when international debt took the form of bonds. The elasticity has absorbed the recent shocks but it has also provided an excuse for banks and governments not to consider long-term solutions to the debt problem. Most of these solutions would involve banks owning up to losses and governments overtly lending, or subsidising, or guaranteeing. Why should they be interested when all such actions can be postponed or disguised?

As moratorium comes into vogue, banks, auditors and regulators will doubtless make the best of it—they will point to the continued commitment to repay and, they hope, the continuing flow of interest. They may even call it more "realistic" and "even-handed" than frenzied negotiations over different categories of debt. But underneath they will know that the banking system is now becoming very dependent on central banks as guarantors of liquidity and that the elastic has little stretch left in it.

Letters to the Editor

Insufficient government measures to protect British shipping

From the General Secretary, National Union of Seamen

Sir,—Your leader (May 25) argues against government measures to protect British shipping and asserts that attempts to insulate the British industry from world markets would be self-defeating. This argument has been the mainstay of those whose blind dogma prevents them recognising the realities of international trade and shipping.

In the last four years the UK owned and registered fleet has dropped from 1,200 to 850 vessels and only last week the Committee on Invisible Exports noted that the continuing decline resulted in a 20 per cent drop in overseas earnings, at a time when world trade fell by only one per cent. Clearly, a lack of government intervention will only allow this trend to continue, particularly when investment is at its lowest level for over 10 years.

Your defence of free trade is based on the argument that "some two-thirds of the industry's revenue comes from cross-trading." This is incorrect as the widely quoted two-thirds refers only to freight earnings, and when earnings from such as passenger carryings are taken into account the share drops to a half. It does not take into account the registry and manning of vessels — some of cross-trade earnings come *from UK owned, foreign* manned vessels, which represent a net drain on national revenue. The slump in trade is greatest in cross-trading and the Committee on Invsible Exports expects this sector to see a further decline this year, with no prospects for real recovery.

Most importantly there is a widespread failure to recognise that UK shipping has scope to offset the decline in cross-trading by increasing activity in UK direct foreign trading and the UK coastal trade.

UK flag vessels carry only one-third of our direct trade, yet there is a growing acceptance of moves to manage international trade on the basis that direct traders each carry 40 per cent of trade, and 20 per cent is available for cross-traders.

Already we have the UN liner code coming into force, and discussions are underway on a code for bulk trading. With international agreement on trade management, UK shipping could increase its share of UK direct trade and still be able to compete for the 20 per cent of world trade available for cross-traders.

Similarly, a third of UK coastal trade and indeed half *the UK offshore supply trade*, are carried by foreign vessels because they are open to all-comers. Other nations, however, notably U.S.A., Japan, West Germany, France, Italy and Greece, reserve their coastal trade for their own vessels. The UK should follow their example.

Moves to managed international trade and intervention by the UK Government can only benefit UK shipping. The logical extension of free trade means free competition in crucial areas such as wages and safety. It is quite unrealistic to believe that UK seamen's pay should be brought down to the subsistence wages of Third World seamen on flags of convenience vessels which compromise nearly a third of the world's fleet and have a safety record two and a half times worse than the world's average.

It is tragic that the solution to our industry's problems is seen in terms of the law of the jungle, sub-standard wages and sub-standard vessels. Fortunately, there are others with a wider perspective, able to recognise that managed trade provides opportunities for negotiated and equitable solutions.

Jim Slater.
*Maritime House,
Old Town,
Clapham, SW4.*

From Mr G. Bonwick

Sir,—In "The future for British Shipping" (Leader, May 25) you observed that "the industry needs all the good management it can get." This observation reminded me that in an earlier leading article, "The case for the shipowners," you remarked that the shipping industry needed "all the capital it can lay its hands on."

My response to the latter which you kindly published was that capital would be readily forthcoming if another of the industry's needs were met; namely, "top and middle management of the right calibre." The President of the then Chamber of Shipping had admitted this need only the week previously. As the foregoing took place in October 1966 it would seem there has been little change for the better, in this connection at least.

I also expressed the opinion that "the British shipping industry's record in modern times gives cause for serious national concern and certainly does not inspire confidence in the future." It is obvious from recent remarks by industry spokesmen, and pleas to the Government for assistance of one kind or another, that the state of the industry still occasions concern, and that the "bleak outlook" to which I referred in your colmuns 17 years ago *is no less bleak today*.

Ten years ago almost to the day (*May 31, 1973*) in further correspondence in your columns I mentioned an article contributed to a specialist shipping journal by merchant banker Mr Paul Slater in which he stated that "the underutilisation of manpower, resources and goodwill by British shipowners in times when the world shipping industry has taken enormous strides is a poor reflection on the management of industry." The profitability record of British shipping companies, he concluded, "*tells its own* tale."

George J. Bonwick.
*17 Chestnut Avenue,
Wokingham, Berks.*

Foreign exchange markets

From Mr J. Williamson

Sir,—Geoffrey Wood (May 20) is mistaken on two counts in arguing that the use of unsterilised intervention to limit overvaluation would condemn a country that had once started to inflate to never stop.

Unsterilised intervention would *in no way impede the use* of a balanced package of monetary, fiscal, and incomes policies to reduce inflation. Indeed, it would provide a rule for maintaining the monetary element of such a package in balance.

Unless it were to be taken to the point of preventing rather than limiting real appreciation, *unsterilised intervention* would not preclude the use of the counter inflation strategy that has recently been ideologically fashionable, of monetary restraint largely unsupported by other policies. It would merely cap the short-run output loss that such a strategy entails. Inflation would in consequence decline somewhat less rapidly, but would Britain really be worse off if inflation were still 2 per cent higher but unemployment was in consequence several hundred thousand lower?

John Williamson,
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Approaches to child benefit

From Mr R. Layard

Sir,—I was surprised to see (April 28) that Samuel Brittan believes that "the most cost-effective way of reducing the poverty (and indeed unemployment) traps is almost certainly 'as big an increase in child benefit as it is possible to secure'."

In fact universal increases in child benefit are a very inefficient way of widening the gap between income in and out of work. For most of the money goes to families with incomes way above the supplementary benefit level, and for whom the comparison of income in and out of work is not an important issue. The efficient way to increase the gap where it matters is to concentrate the aid to children on those children who are in poor families. This is what the SDP proposes doing in its "basic benefit." This approach would be both more efficient and more equitable

Richard Layard.
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Houghton Street, WC2.*

Two live adages

From Mr P. Ridley

Sir,—I have read many of the recent lengthy and expert letters on pensions with some difficulty and not a little dismay.

Although my technical knowledge and experience in pensions are limited, my personal observations lead me to believe that, when it was possible so to do, most people leaving an occupational pension scheme on changing jobs withdrew their contributions for immediate expenditure, and not for investment. The adages "eat, drink and be merry, for tomorrow we die" and "a bird in the hand is worth two in the bush" are alive and well and living in Britain. Given this, and the degree of expertise required for the effective management of investments, I cannot help feeling that any proposal that leaves the provision of pensions to individuals will be largely ineffective. I would hope that, in the debate on the changes to be made in the rules for occupational pension schemes—and it seems inevitable, and right, that changes will be made—the contributions of commonsense and experience will not be ignored, and that the basically sensible concepts of locking contributions into properly managed, funded schemes, with a pension based on final salary, will not be discarded.

P. J. Ridley.
*1, Croft Road,
Russley Green.
Wokingham, Berks.*

Non-executive directors

From the Managing Partner, Corporate Consulting Group

Sir,—Ray Maughan's article (May 11) suggests a stark contrast in board structures of BTR and Tilling is one of the major issues.

You cannot tell a great deal from the formal structure of the board alone. The market is littered with notable companies who have been in progressive and self-evident decline for a number of years without having the self-regulating energy to break with the past and change direction. Boards with a strong contingent of non-executive directors and boards with a token presence are equally well represented.

The more interesting question is what is the role and accountability of the non-executive directors in these circumstances? I suggest it is not the task of generating high performance and sustaining it. That has to be the executive's job and the bottom line over time will reflect their quality, energy and degree of emotional *attachment for things past*.

The task of the non-executive director is different. It is to set the framework within which high performance can take place.

I have no knowledge of how either of these things are done at BTR or Tilling. What is clear from a great number of other examples is that the emphasis placed on being a "good colleague" in selecting non-executive directors is likely to produce more comfort than challenge. The result is to perpetuate rather than stretch or change.

Planning is the other culprit. The value of good analysis is obvious to everyone. But most is derivative, and not fundamental. The pressures are for more of the same and boards tend to be uncoupled from the process until the executive preference has emerged and been tabled in all its detail. It is too late then to do the simple and basic things.

The combination of "good" colleagues and historically driven strategies produce the "frogs" who make up such a large part of the corporate population. Frogs in the real world, as you are perhaps aware, have the unenviable capacity to sit quietly in water which is progressively heated to boiling point, without sensing their own destruction. And therein lies the essence of the non-executive director; judging the timing of the turning-point and insisting on it happening.

Leslie Dighton.
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FINANCIAL TIMES
Friday May 27 1983

SHULTZ CALLS FOR OPEN MARKET POLICIES

U.S. plea on Third World trade

BY REGINALD DALE IN WASHINGTON

MR GEORGE SHULTZ, the U.S. State Secretary, yesterday called for a major new initiative on international trade liberalisation, paying particular attention to the problems of developing countries.

In the Reagan Administration's most comprehensive statement of its Third World policy to date, Mr Shultz said that preparations "should begin now" to strengthen the General Agreement on Tariffs and Trade (Gatt) "with special, urgent emphasis on reducing barriers to North-South trade through mutual exchange of concessions."

Mr Shultz's principal theme was that expanded trade, and investment, through the adoption of open market policies, was essential to ensure the ability of developing countries to cope with their debt problems and to promote their domestic economic growth.

Mr Shultz's speech to the Foreign Policy Association in New York was intended to reaffirm the market-oriented U.S. commitment to world economic development in advance on next month's meeting of the United Nations Conference on Trade and Development (Unctad) in Belgrade. The developing countries had now become a big factor in the World's economic health and "we have a significant stake in their progress" he said.

Mr Shultz said the developing countries that had grown fastest over the last decade had been those that opened themselves to international trade and investment. "It is no coincidence that systems which give the freest rein to economic activity are the most successful in liberating the talents, energies and productivity of their people," he said.

Mr Shultz proposed no specific framework for discussion of the new trade liberalisation measures that he said should accompany the world's move out of recession. He made clear, however, that the negotiations should be closely linked to Gatt.

He repeated his strong view that the developing counties would have to liberalise their own economies in return for greater access to industrialised countries' markets.

Gatt, and its evolving rules on liberalisation of non-tariff trade measures, was "the key to our ability to maintain the free trading system so that it can be an engine of the coming recovery," Mr Shultz said.

Gatt should not only spearhead a new move to liberalisation, but also "bring greater discipline to the so-called safeguard procedures which may otherwise frustrate developing countries' expanding access to markets in the industrialised world," he said.

In the same vein, Gatt should improve mechanisms for settling disputes and the ground rules for agricultural trade. Regional liberalisation of trade among developing countries would also be beneficial.

Mr Shultz said that the right approach to the financial problems of heavily indebted developing countries was the one pursued consistently in international financial negotiations over the past 12 months.

The objective must be "to preserve these countries' creditworthiness and their ability to import new private capital to finance growth over the coming years." There was


George Shultz

no point, however, "in more austerity than is necessary for this objective," he stressed.

Mr Shultz's overall view of progress towards economic development and political stability in the Third World was that there were more grounds for optimism than pessimism. He accepted, however, that instability might well be a part of the turbulent course of political and economic development in the Third World – just as it had been in the West during the industrial revolution.

Labour's defence split aids Thatcher

By Our Political Staff

MRS MARGARET Thatcher, the UK Prime Minister last night took advantage of Labour's divisions on nuclear weapons policy to argue that the moderates had lost control of the party.

She tolds a rally in Harrogate, Yorkshire, that Labour's nuclear disarmament proposals make war more likely. The party, she said, had got it "dangerously, desperately wrong" over defence and that this was the cause of the bitter row within its ranks.

Mrs Thatcher said that the moderates had caved in and it was the "Trots" who now had a major influence on Labour policy.

She praised Hugh Gaitskell, Labour's leader from 1955 to 1963, who had opposed unilateralism, and she said that in contrast the current "co-called moderates" had caved in and given up a vital part of the country's defence.

Mrs Thatcher was in self-confident form, reminding her audience that it was the halfway mark of the canpaign and adding: "We are going strong. We shall finish strongly and I believe we shall win."

The Prime Minister's performance, both during her campaign tours and morning press conferences, is relaxed and commanding, showing no doubts that she will win on June 9.

In her two major election speeches so far Mrs Thatcher has been able to concentrate on attacking Labour, and to a lesser extent the SPD/Liberal Alliance, rather than on developing her ideas of what the Tories would do if re-elected.

The only minor squall has come from the warning by Mrs James Prior, the Northern Ireland Secretary, on Wednesday night that the Tories should offer hope and understanding to the unemployed.

Mrs Thatcher said yesterday that she had not seen an advance copy of Mr Prior's speech and remarked pointedly that the fact that young people were supporting the Tories seemed to show that "they see more hope for the future with us."

EEC bid to dismantle some non-tariff barriers deadlocked

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Community's uphill struggle to sweep away some important non-tariff barriers to its internal trade ground almost completely to a halt last night.

EEC ministers, devoting their third meeting in five months to a set of proposals for strengthening the internal market, brought no more flexibility to their negotiations yesterday than they displayed at their last abortive meeting in March.

Yesterday's deadlock is a serious disappointment to the West German Government. With its liberal trading convictions, Bonn had attached a high priority to reaching agreement during its occupancy of the presidency of the EEC's Council of Ministers.

The West Germans are likely to have one last go at pushing the Ten towards agreement at another special meeting on June 21 – just ten days before they hand over the presidency to Greece.

The lack of progress on the internal market is also a blow against the fragile authority of the European Council.

At their Copenhagen summit last December, EEC heads of Government called for agreements by mid-March. Acknowledging the absence of progress then, the community leaders called for agreements in time for their next summit in Stuttgart on June 17-19.

Yesterday .Ministers referred three key issues back to their permanent officials for further negotiation:

● Certification of imports from third countries. The Commission wants member governments to agree on a certification system which would reduce the regulation of imports from outside the EEC through the use of national technical standards.

● One defensive mechanism Paris wants is the so-called Community Commerical Instrument which the European Commission proposed in February. This would give the EEC a swifter response against dumping and other trading practices outlawed by international agreements.

● The Commission has also proposed some measures for simplifying formalities at the borders between member states. These include the creation of a single EEC export-import documents a directive providing for the deferred payment of value added tax on imported goods and longer opening hours for customs posts.

Mannesmann sales plunge 21%

BY JAMES BUCHAN IN DUSSELDORF

MANNESMANN, the West German steel pipe and mechanical engineering group, suffered a sharp setback in world turnover in the first quarter with net earnings down steeply from the good first quarter of 1982.

However, Herr Egon Overbeck, who retires this summer after more than 20 years as chief executive, said he expected both sales and earnings – which were still positive in the first quarter – to improve over the remainder of the year. What he had yet to see was a worldwide upturn which could bring the export-dependent group back up to last year's net earnings level of DM 280m ($112.5m).

Weak overseas business lopped a full 21 per cent off first-quarter external sales to DM 2.9bn, with a particularly painful 34 per cent drop among the group's foreign subsidiaries. Steel pipe production tumbled by over 230,000 tonnes to 754,000 tonnes, not least because of the collapse of the market for oil-field tubulars in the U.S., where Mannesmann is sitting on expensive stocks of 70,000 to 80,000 tonnes.

Only for large-diameter pipes, where Mannesmann has a good market in the Soviet Union, was there respectable sales growth of 6 per cent, with orders booked to see the division through to the end of the year. A delegation from the board, including Dr Franz Josef Weisweiller who succeeds Herr Overbeck at midyear, will visit Moscow in June to discuss development of a market which already takes half the output of this division.

Mannesmann Demag, the heavy engineering subsidiary which suffered net losses last year of DM 35m against profits of DM 13m in 1981, continues to labour under difficulties in export markets. Orders booked in the first quarter were down some 25 per cent on the same period of 1982 and the subsidiary was still in the red.

The chief problem is Demag's heavy dependence on the depressed steel industry. Herr Overbeck announced that its steel plant division, where short time is already in force, will have to be cut by 30 per cent. The parent company is planning to take over the remaining 8 per cent of the subsidiary with an offer of shares plus cash.

At Kienzle, the electronics and computer manufacturer wholly owned since last year, orders and sales kept to first quarter 1982 levels although the company was still operating a loss. However, Herr Overbeck vigorously defended Mannesmann's diversification into data processing and information technology and insisted that Kienzle would be in the black by 1985.

Warning from World Bank

Continued from Page 1

per cent among the middle-income oil importers and 3.3 per cent in industrial countries.

Even without new protectionist measures, "some of the existing ones, if not removed, will become a stronger brake on exports." Relatively slower growth in industrial countries would also restrain the growth of developing countries' exports

Sterling at high for year

Continued from Page 1

West German elections, when a realignment of the European Monetary System resulted. The D-Mark has since been at the bottom of the EMS.

In London, too, dealers believe that the currency is being lifted higher, by the prospect of a re-elected Conservative Government, than it is likely to remain if Mrs Thatcher is indeed returned to office on June 9.

The dollar retains its appeal for long-term currency investors, because of the very high U.S. interest rate. "But people have got bored with buying the dollar over the last few weeks," said one dealer.

Luck runs out for Caesars World

BY RICHARD LAMBERT IN NEW YORK

THE BIG U.S. banks are not the only institutions with bad debt problems on their international business. Caesars World, a leading casino operator, has announced losses for the three months to April mainly because of a provision of $15m against "certain past due casino accounts receivable."

In language worthy of the stuffiest banking parlour, the company explained that "these additional reserves were related primarily to the accounts receivable from customers in countries where economic disruptions have had an adverse effect upon liquidity."

The company said later that this did not refer to the well known trouble spots in Latin America. None of the bad debts came from the Western hemisphere, it added: they all related to "certain countries in the Middle East and the Orient."

Last year, however, Caesars World made another sizeable provision for doubtful accounts, which arose largely as a result of the devaluations of the Mexican peso.

The latest provision left a net loss of $14.3m for the third quarter, compared with a profit of $1.2m a year earlier.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	19	66	Dubrovnik	S	15	59	Malaga	F	22	72	Salzburg	C	11	52
Akrotiri	S	24	75	Faro	C	20	68	Malta	S	23	73	Seoul	S	24	75
Algiers	S	23	73	Florence	F	20	68	Manila	C	37	99	Singapore	R	29	84
Amsterdam	C	10	50	Frankfurt	C	11	52	Miami	S	28	80	Stockholm	R	11	52
Athens	F	23	73	Funchal	F	19	66	Milan	R	16	61	Strasbourg	R	9	48
Bahrain	S	34	93	Geneva	C	9	48	Moscow	S	20	68	Sydney	R	15	59
Bangkok	S	34	93	Gibraltar	F	20	68	Munich	C	9	48	Taipei	C	29	84
Barcelona	S	19	66	Guernsey	S	13	55	Nairobi	–	–	–	Tangier	F	21	70
Beirut	S	24	75	Helsinki	S	18	64	Naples	F	16	61	Tehran	–	–	–
Belgrade	F	21	70	H. Kong	C	26	79	New Delhi	C	38	100	Tel Aviv	S	26	79
Berlin	C	15	59	Innsbruck	R	9	48	New York	S	24	75	Tenerife	C	22	72
Biarritz	C	15	59	Inverness	C	10	50	Nice	S	19	66	Tokyo	C	18	64
Blackpool	F	14	57	Istanbul	S	25	77	Oporto	S	23	73	Toronto	R	17	63
Bordeaux	S	18	64	Jersey	S	15	59	Oslo	C	20	68	Tunis	S	24	75
Brussels	C	10	50	Jo'burg	S	19	66	Paris	C	13	55	Valencia	F	20	68
Budapest	F	19	66	Las Palmas	S	21	70	Prague	C	12	54	Venice	F	18	64
B. Aires	S	17	63	Lima	S	28	82	Reykjavik	C	10	50	Vienna	C	16	61
Cairo	S	36	97	Lisbon	S	24	75	Rio de J'o	R	24	75	Warsaw	F	20	68
Cape Town	–	–	–	Locarno	F	16	61	Rome	F	20	68	Zurich	R	6	43
Caracas	C	29	84	London	C	13	55								
Casablanca	C	21	70	Los Angeles	C	27	81								
Copenhagen	F	12	54	Luxembourg	R	8	46								
Corfu	F	22	72	Madrid	S	22	72								
Dublin	C	13	55	Majorca	S	22	72								

Readings at mid-day yesterday: C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Go-ahead for £99 fare

Continued from Page 1

Airways and British Caledonian for alleged collusion in bringing fares down in the face of Laker Airway's competition.

"Talks with the U.S. are to continue to make sure that the situation which gave rise to the current prosecutions does not arise again," the department said.

The U.S. Justice Department is to go ahead with its anti-trust action against British Airways and British Caledonian Airways, despite persistant pleas during this week's talks from Lord Cockfield, the UK Trade Secretary.

British officials were successful, however, in persuading the U.S. Justice Department to put off until June 3 its planned deadline for subpoenas against the airlines, due to be issued this week.

The Trade Department insisted yesterday that it had not used the application by People Express as a "bargaining counter" in its talks with U.S. officials from the State Department, the departments of Justice, Transportation, and the Civil Aeronautics Board.

The UK officials suggested they had to honour application under the terms of the Bermuda Two air services agreement between the two countries, which gave Britain until July 10 to make a final decision.

Patchy revival in investment by UK industry

By Max Wilkinson, Economics Correspondent, in London

INVESTMENT by UK manufacturing industry is expected to continue to fall this year to about £7.5bn, some 4 per cent less in real terms than last year's total.

However, an official estimate published yesterday, suggests that total investment, including that of the distributive and service trades, is expected to rise by about 3 to 4 per cent in volume in 1983.

The figures, from the Department of Industry's investment intentions survey, suggest that little recovery of manufacturing investment can be expected until the end of the year. But the department believes that slow growth will then start and continue into 1984.

A revival of investment is seen in the Treasury as an important condition for a sustained recovery in output. The recent signs of improvement appear to have resulted largely from the slower rate at which stocks were being reduced in the first three months of the year.

However, stock changes cannot act as the engine of growth indefinitely. Higher investment is needed not only to increase demand, but also to provide the increased capacity needed for a sustained increase in output and jobs.

Yesterday's figures showed that total invstment this year is expected to be £9.6bn at 1975 prices, equivalent to about £22.5bn in current prices. The volume of total investment expected this year is only 3 per cent below its peak in 1979.

This reflects an 18 per cent rise in the volume of investment in distributive and service industries. The volume of investment by manufacturers (including assets leased from financial institutions) is expected to show a decline of 28 per cent between 1979 and 1983.

The only manufacturing sector which is expected to invest more this year than last is the chemical industry, the survey suggests. Investment by distributive and service industries is expected to be 6 to 7 per cent higher than last year's level.

The survey suggests that the overall volume of investment is likely to rise in 1984 by about the same amount as in 1983 (3 to 4 per cent).

● Half of Britain's exports in 1981 were accounted for by just 72 companies, according to latest Government figures, Jeremy Stone writes.

These companies included the oil groups, which increased their exports by 50 per cent over the previous year, raising the proportion of oil exports from 13 to 18 per cent of the total.

This spurt in oil trading is one reason why, for the first time since 1976, the exports of the UK's larger companies grew more rapidly than exports as a whole. In 1980, UK exports had been sourced more widely, with half of the exports (excluding diamonds) being shared out among the top 95 exporters.

If the oil companies are left out of the reckoning, the trend to fewer and larger exporters is less marked. In 1981 two thirds of UK non-oil exports were supplied by 415 companies, a fall from 440 in the previous year. But these exports were still spread out across 24 per cent more companies than in 1979, and their value had risen by only about 8 per cent.

The total of non-oil, non-diamond exports in 1981 was dominated by the 510 companies trading in metal manufacturing and engineering products, amounting to just over a third of these exports.

Yugoslav price controls fail

By David Buchan and Aleksander Lebl in Belgrade

THE YUGOSLAV Government has conceded that its 10-month-old price control measures had failed in the face of inflation running at an annual rate of 30 per cent. It has decided on a more selective counter-inflation strategy. This will be discussed with International Monetary Fund (IMF) officials here next week.

After its first full stock-taking of the economy this year, the government concluded yesterday that the restrictive policies, on which the present multi-billion dollar aid package from the IMF and Western banks and governments was based, had squeezed the Yugoslav economy too hard.

Mr Zvone Dragan, vice-premier in charge of the economy, explained after the government had met that industrial production had been hit harder than expected by lack of imported raw and intermediate materials. It would now be difficult to attain the targeted 2 per cent increase in industrial output this year.

THE LEX COLUMN

A blue rinse for sterling

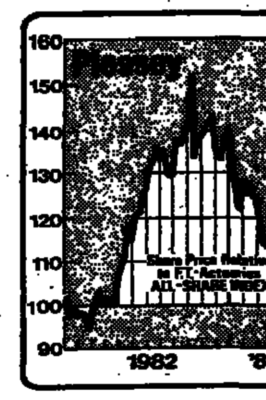
Since sterling touched its low point in late March, all the news has been running its way. The Opec deal has stuck and oil pricing worries have, for the moment at least, been dissipated. The early election lead of the Conservatives has been maintained, and most recently it is Labour which has been thrown on the defensive. So in the last two days the volume of demand for sterling has picked up strongly, in a way reminiscent of the D-Mark boost when a CDU victory began to look a virtual certainty in the West German election earlier this year.

A positive short-term interest rate differential in favour of sterling, meanwhile, has reduced the risks of responding to the political factor. Yesterday's spurt took the pound 10 per cent above its March low against the dollar, to $1.60. The gain on the trade-weighted index was slightly more, at nearly 11 per cent. On this basis the pound has now recovered about 60 per cent of its decline since November.

The exchange rate has helped the performance of other financial markets, with gilt-edged this week recouping the decline after the announcement of the election date, and equities picking up in very thin trading. Yet the implications of the pound's recovery may be rather different for each market. A post-election Conservative Government faces an immediate dilemma. Recent money figures and public-sector borrowing trends could persuade it to tighten its policy stance, an expectation that may already be reflected in sterling's performance. Yet reliance on monetary policy might lead to a rerun of the high valuation of sterling in 1980 and 1981. Indeed, sterling's current strength already has the effect of restricting domestic demand.

Assuming that a Conservative Government tightens initially through fiscal rather than monetary contraction, the outlook for the gilt-edged market is beginning to look rather more encouraging.

For equities the outlook is more mixed. The pound's earlier decline against continental European currencies did wonders for the export margins of companies in such sectors as chemicals and engineering, as ICI's first-quarter results showed. The critical £/DM rate has now come back to virtually DM 4, from the March low of DM 3.54, so this benefit has been heavily eroded. The effect is to push back expectations of recovery in profitability by a few months, something that will disappoint the equity market as a whole. More important may be a reversal of the shifts within the market since November. Interest may now switch back from the internationally oriented sectors to the domestic ones such as stores, which have been out of favour over recent months.



Brewers

Bass's optimistic noises about beer volumes earlier this week may have lent some weight to the view that the three-year fall in sales is at last bottoming out, but as figures from a clutch of smaller companies showed yesterday, the trend depends very much on location. Greenall Whitley reported that volume is still under pressure in the depressed north west, while holding steady in the east Midlands. Buckley's trading in the Welsh valleys where unemployment can be as high as 40 per cent, saw sales fall 5.5 per cent. Morland, based in the comfortable Thames valley, lifted pre-tax profits 9.2 per cent.

Since the peak year of 1979 the UK beer market has shrunk about 12 per cent, helped along by price increases which have exceeded the rate of inflation. Apart from whimsical speculation about better summers, the case for an upswing is that economic recovery will eventually feed through into higher spending in the pubs. But changes in the industry suggest that some brewers are themselves coming to the conclusion that the British taste for beer will never be quite the same again.

In the last two years the investment trend has switched from production to the pubs, extending the range of services with food, fruit machines and even coffee bars.

The fact that the pub revamp strategy is working is itself evidence that straightforward beer drinking is not what it used to be. In the north some of the working men's clubs which give such heavy competition to the pubs have recently run into trouble – Vaux has provided about £800,000 in the last two years for bad debts in the clubs. At the same time, the recession has swallowed up many of the big volume pubs along with the metal bashing factories which used to furnish their customers.

Given the combination of production cuts and investment on the retailing side, the market is expecting industry profit increases this year of up to 15 per cent in aggregate. Some of this was taken aboard in the behaviour of the sector last year, when it outperformed the FT Actuaries All-Share index by almost 30 per cent. But further profit rises might depend much more on the industry's ability to make more of its non-beer activities.

Plessey

Plessey has pulled itself into the enviable position of needing to worry less about how to make money than about how to spend it. The group's financial and production controls are now well enough established for cash generation to be almost a matter of routine. The most urgent priority is to establish a first-class operating base in the U.S. in time for the battle royal in the communications market.

In the year to April 1, Plessey pushed profits before tax up 31 per cent to £146.6m, a figure almost matched by the £125m of cash generated from operations. The group has funded a 20 per cent rise in the value of sales with virtually no increase in working capital and more than half net capital spending has been financed from depreciation.

So, with liquid resources of £272m dwarfing a debt load of £57m, Plessey is free to spend as it wishes in the U.S. The acquisition of Stromberg Carlson for £29.7m late last year had been reinforced by the year-end with further investment of £17m, an indication of the urgency of Plessey's task.

Stromberg lost £8.1m after interest costs in the final six months of last year and is not forecast to make a profit until calendar 1984. But if Plessey manages to sort out its distribution arrangement in the U.S. and establishes technology transfers on data processing, that position should be transformed a few years from now. The shares, meanwhile, rose 25p yesterday to 680p, where they yield 2.1 per cent.

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Preussag holds payout despite drop in profits

BY JOHN DAVIES IN HANOVER

PREUSSAG, the West German metals, energy and transport concern, is maintaining its dividend despite a decline in earnings.

The parent company's net profit last year declined 27 per cent to DM 70.5m ($28.3m), while the group's worldwide net surplus was down 35 per cent at DM 93.3m. However, the dividend is being held at DM 8 per DM 50 share.

The domestic concern, including West German subsidiaries, increased sales revenue marginally to DM 4.1bn. Including subsidiaries abroad, the worldwide group lifted sales 6.7 per cent to DM 11.2bn.

Preussag made heavier but unspecified losses in metals processing, with recessionary pressures on lead and zinc prices and structural overcapacity in the European zinc industry.

The company has cut capacity at its Harlingerode zinc works, but claims that subsidies are preventing cutbacks in other producers' capacity in Belgium, Holland and France.

Preussag, which has an 86 per cent stake in Amalgamated Metal Corporation of the UK, believes it can maintain its earnings this year, although benefits of an economic upturn are unlikely to be felt much before the end of the year.

Dr Günther Sassmannshausen, chief executive, said that Preussag's losses in the metals division in the first quarter of this year were worse than a year ago but showed an improvement in comparison to the fourth quarter of last year.

He expressed concern about the trend towards higher electricity prices in West Germany.

The company's metals processing plants had been enjoying relatively favourable electricity costs under long-term contracts, but cost pressures would intensify in the future.

Klöckner-Humboldt-Deutz hit by export market weakness

BY JAMES BUCHAN IN COLOGNE

KLÖCKNER-Humboldt-Deutz, the West German engineering group, suffered a 21 per cent drop in orders booked in the first four months of this year because of the weak export markets that are troubling the entire industry.

Herr Bodo Liebe, chief executive, was reluctant to predict the export outlook this year for the diesel engines, agricultural machinery and industrial plant which are KHD's chief product lines. However, he believes the group will outperform the rest of the West German industry after increasing parent company after-tax profits by DM 12m to DM 49.8m ($20m) last year.

Parent company sales in the first four months were also down, by 8 per cent to DM 1.1bn with an 11 per cent drop in overseas business. However, Herr Liebe said there were signs of life in the domestic market for engines, and domestic sales in the tractor and agricultural machinery division increased by 27 per cent.

This year's sales are marked by the 21 per cent drop in orders booked by the parent company in 1982, down to DM 3.8bn. The industrial plant division was particularly affected after two larger orders in 1981. However, Herr Liebe pointed out that in common with other German plant exporters, KHD is tending to contract out large elements of big plant orders to subsidiaries in cheaper countries.

Overall external world sales in 1982 increased by DM 83m to DM 5bn, while turnover at the parent company climbed DM 7m to DM 3.92bn. The improved earnings, which Herr Liebe ascribed exclusively to cost-cutting measures, have freed the board to propose a 50 pfennig increase in dividend to DM 7.50 per DM 50 share.

Dutch dredger makers squeezed

BY WALTER ELLIS IN AMSTERDAM

DUTCH dredger-building yards are in trouble because of the almost total collapse of the world dredger market in the face of economic recession.

Mr T.P. de Jooden, head of the board of management of IHC Holland, part of IHC Holdings, says that in 1982 even the major Dutch dredger operating companies, such as Boskalis Westminster and Voker Stevin, invested little or nothing in new dredgers. "The price of the few orders remaining thus came under considerable pressure," he says.

Mr de Jooden was speaking at the opening of a new building dock in Sliedrecht, south of Rotterdam. The new dock had cost Fl 80m ($28m) and so far there was not nearly enough work to repay the investment.

In spite of the lack of orders, IHC intends carrying on with the modernising of its facilities. A further Fl 80m to Fl 90m is to be invested over the next few years in improvements to a second yard in Kinderdijk, 30 per cent of which will take the form of a subsidy from the Dutch companies' mutual loans fund.

IHC also plans to spend some Fl 50m on its Sliedrecht facilities and will have to seek loans for this purpose from the Netherlands Investment Bank and from commercial banks.

IHC believes that if it can stay ahead of its competition, especially that from South Korea and Japan, it will be in a better position to profit from any forthcoming economic recovery.

● De Schelde, the Vlissingen shipyard, has been declared formally independent of RSV, the ailing Dutch engineering group. It is to be released from the terms of RSV's moratorium on debt repayments within the next few days. New owners of the company are to be Marine en Industrie Belangen Vlissingen, a foundation managed by the National Investment Bank.

Special government support is to be given to the new venture

DG Bank doubles earnings

BY STEWART FLEMING IN FRANKFURT

DG BANK, the central banking institution of the West German co-operative movement has announced its net profits for 1982 have risen to DM 100m ($40.16m) from the depressed level of DM 52.5m reported in 1981 when the bank was forced to omit its dividend.

The bank had previously said that it would resume dividend payments for 1982 at a rate of 5 per cent and that it was planning to raise DM 200m of new equity from its owners, primarily the eight regional co-operative central banks.

Herr Helmut Guthardt, the bank's chief executive, said that amongst the factors behind the decision to call for a capital increase was the need to expand the capital base of the bank. This would enable it to comply with the stricter capital ratios for banks which will result when they are required to present consolidated accounts to the banking supervisors.

On the assumption that the bank's wholly-owned mortgage banking subsidiary does not have to be consolidated the capital increase means that DG Bank would have no problem with capital ratios on consolidation, he said.

Negotiations are currently underway between the banks and bank supervisory agencies in West Germany about the question of consolidated accounting, but at present broad differences exist and the timing of any change is uncertain.

Behind the recovery in DG Bank's earnings is the sharp fall in interest rates in West Germany last year which was particularly important for the bank which relies heavily on money market funds and deposits from retail co-operative banks.

As a result of its substantial international involvement, as well as domestic failures such as the financial collapse of AEG-Telefunken which cost DG Bank DM 70m, the bank has had to dramatically increase its loan loss provisions. Disclosed provisions rose from DM 29m to DM 124m.

Proxy win for Louisiana Land

By Our New York Staff

LOUISIANA Land and Exploration, the U.S. oil and gas exploration and Development company, has claimed victory in the fierce proxy battle launched by Mr Delo Caspary, a Rockport, Texas businessman.

Louisiana Land said Mr Caspary had won the support of a number of the major shareholders in his bid to unseat the board but that it had received over 78 per cent of the shareholder vote which was not already committed

Offshore banking ruled out

BY JUREK MARTIN IN TOKYO

THE GOVERNOR of the Bank of Japan yesterday formally reiterated his opposition to any early establishment of an offshore banking facility in Tokyo.

Mr Haruo Maekawa emphasised that he was not against an offshore market as such but that at the moment he was "not in favour."

The problem, he suggested, was that Japan could find itself with an uncomfortable contrast between a free offshore market and a regulated domestic financial system, particularly as far as the yen was concerned.

Mr Maekawa said the first step was to remove domestic interest rate regulation, which could be a lengthy process.

Mr Maekawa also expressed concern that offshore markets "tend to go too far." He thought the debt problems of the developing countries had been exacerbated by the undisciplined provision of finance. Offshore markets were not lenders of last resort.

The central bank is also known to be concerned about the implications for monetary policy as well as for the domestic financial system.

Swiss banks back watchmakers' merger

BY JOHN WICKS IN ZURICH

SWISS BANKS will provide SwFr 650m ($318m) to support the merger of Asuag and SSIH, the two big Swiss watchmakers which have been losing money in recent years.

The financial package, aimed at underpinning the newly formed holding company, includes SwFr 118m in debt write-offs, SwFr 392m of debt into equity conversions and SwFr 150m of new convertible loans.

The additional aid complements the SwFr 300m advanced to SSIH in 1981 following a bank rescue. The two companies have faced serious trading problems, largely as a result of competition from Japan in traditional watch markets.

The two groups had combined 1982 sales of SwFr 1.7bn. The capital resources of the newly formed holding company will total SwFr 600m of which half will be in the form of equity capital.

The new holding company will have three seperate operating units. Its major watch brands include Tissot, Omega and Longines

Asuag is controlled by watch-industry interests and the banks, with an 8 per cent stake being held by the Federal Government, while SSIH has since the 1981 re-organisation been owned almost wholly by the banks. The banks will, however, offer their shares in the new holding company to the public "as soon as possible," said Dr Peter Gross, who is both chairman of SSIH and a general manager of Union Bank of Switzerland.

Mr Ulrich Fuenfschilling, of Swiss Bank Corporation, said the new company should "certainly be in the black" within three years. There was, however, unlikely to be any significant change in turnover.

Asuag, which has been running at a deficit since 1977, booked a further net loss of SwFr 129m last year after extraordinary depreciation and provisions of SwFr 276m. After withdrawals of SwFr 57m from unpublished reserves, this meant a total loss for 1982 of SwFr 340m.

Mr Carl Meyer, finance director, stated that the additional creation of SwFr 256m of risk and restructuring provisions by Asuag used up all the company's unpublished reserves.

Net losses of SSIH declined from SwFr 38.4m in 1981 to SwFr 17.1m in calendar 1982. After a 30 per cent drop in operational losses to SwFr 57.8m for the financial year ended March 31, 1983, parent-company losses were down from SwFr 76m to SwFr 42.1m.

Founder of Atari ends rift with Warner

By Paul Taylor in New York

ATARI, the video games and home computer subsidiary of Warner Communications, and Mr Nolan Bushnell, Atari's founder and father of the $8bn-a-year video games industry, have agreed to work together to end a bitter six-year rift.

Atari and Pizza Time Theatre of which Mr Bushnell is chairman and chief executive, announced yesterday that they have signed an agreement under which Atari has acquired consumer rights to coin-operated video games developed by Mr Bushnell and his business associates.

The agreement marks the dramatic end to a noisy public row between Mr Bushnell and Atari which began after Warner Communications bought the company from Mr Bushnell for $28m in 1976, four years after the Californian inventor set it up. Last year Warner Communications' consumer electronics division, which is mostly composed of Atari, had revenues of $2bn.

After the sale of Atari, Mr Bushnell founded the Pizza Time theatre chain which makes its money selling pizza and providing video game and other entertainment, including giant singing robot animals, to children between the ages of two and 12 years.

Mr Bushnell had been working on a new range of arcade video games to be launched in October when he is free from his promise not to compete with Atari. He had boasted that by 1986 the new machines would have 40 per cent of the market.

Amev starts year on good note

By Walter Ellis in Amsterdam

NET profit at Amev, the second-largest Dutch insurance group, rose by 5 per cent during the first quarter of this year while earnings at the number three insurer, Ennia, went up only fractionally. Amev continues to expect an increase in profits for 1983 as a whole. Ennia is content to forecast an overall net income similar to that for last year.

Results for Amev show earnings from January to April of Fl 40m ($14.3m). Although this is up on the same period last year, earnings per share fell slightly due to a stock issue on February 8. Life insurance business grew by 10 per cent during the first quarter, but non-life business was down 61 per cent, mainly as a result of higher claims in the medical expenses division in the U.S.

Results from other activities are much improved, with the company's American financing venture and property activities both up. Gross receipts for the quarter reached Fl 1.39bn, an increase of 14 per cent.

Kaiser Steel resumes talks with Jacobs

By William Hall in New York

KAISER Steel, the ninth biggest U.S. steel company which turned down a bid from a group of investors headed by Mr Irwin Jacobs a fortnight ago, has reopened talks with Mr Jacobs.

Kaiser Steel said last week that it was actively pursuing discussions with other potential purchasers after rejecting Mr Jacobs' bid which it described as "inadequate and unfair to other stockholders."

The Jacobs consortium, which owns 16.3 per cent of Kaiser Steel, had made an offer worth at least $265m. Following Kaiser's rebuttal the Jacobs group announced that it would put up its own directors to stand for the Kaiser board at the company's annual meeting on July 6.

INI predicts further loss of Pta 80bn

BY DAVID WHITE IN MADRID

SPAIN's state-owned Instituto Nacional de Industria (INI), the country's largest industrial group and biggest debtor, expects to accumulate a further Pta 80bn ($577m) in losses this year.

This was disclosed by Sr Enrique Moya, the new INI chairman.

Under its present management, INI has set a four-year target for breaking even. But its car and lorry manufacturing subsidiaries are expected to stay in the red at least until next year, adding to heavy deficits at the group's under-used and over-manned steel mills and shipyards.

However, the loss forecast indicates an improvement of about 20 per cent on last year, and Sr Moya said he anticipated a positive cash flow of Pta 20bn, compared with a negative figure of Pta 2bn in 1982.

He revealed that total 1982 losses, due to be officially announced next month, were about Pta 102bn. Contrary to expectations, this figure is marginally higher than in the previous two years.

The loss came after payment of Pta 171bn – more than 12 per cent of turnover – on debt servicing. INI and its subsidiaries accounted for $5.5bn worth of foreign debt at the end of last year, almost a fifth of the Spanish total for public and private sectors combined.

The 1982 figure excludes additional losses of Pta 34bn, which are covered directly by the Government under contractual subsidy arrangements, the main item being a Pta 19bn deficit by the coal-mining company Hunosa.

Overall sales, boosted by a further sharp upturn in export activity, are expected to rise to Pta 1,621bn this year, 21 per cent up on the 1982 figure of Pta 1,343bn, Sr Moya said. The forecast for exports – including the Seat car group's drive for an independent foothold in the European market – is Pta 568bn, or 35 per cent of total turnover, compared with Pta 411bn or 31 per cent of the total in 1982.

Seat, which is currently gearing up to start producing Volkswagen models after its break with Fiat, should be out of loss by the second half of next year, according to Sr Moya.

The taxpayer's contribution to INI this year, subject to final approval of the state budget by parliament, amounts to some Pta 188bn.

Moya puts professionals on top

BY OUR MADRID CORRESPONDENT

AT THE Madrid headquarters of the Instituto Nacional de Industria (INI), Spain's omnipresent public sector holding group, a machine has been discreetly installed in the 1940s decor by the front door, where executives now have to use plastic cards to clock in and out. Sr Enrique Moya, the new chairman, clocks in like everybody else.

According to colleagues, he has been getting there some time before 9am, which in a Spanish day is the crack of dawn, staying to 10 at night, and taking work home at weekends.

The down-to-work approach of Spain's current Socialist rulers has made its impact at this loss-ridden group. But the exemplary Sr Moya is not a Socialist.

Lacking the business figures whom the French Socialist party had in its ranks when it came to power, the Government which took over in Madrid last December turned to an independent for the country's top industrial job.

The 50-year-old Sr Moya, who had worked with Sr Miguel Boyer, now Finance Minister, had a background in the food industry and experience in re-converting companies. At the time of his appointment just before Christmas, he was secretary-general of the elite businessmen's organisation, the Circulo de Empresarios.

Sr Moya has kept his head down. After months in the job, in his first foreign press interview, he insists on the need for "professionalising" the management of INI and its subsidiaries, an empire with sales of over $10bn a year.

"The second and third ranks have always been occupied by professionals, often formed in the companies of the institute itself, or on other occasions recruited from the private sector in Spain and abroad." But the top appointments have tended in the past to "obey political criteria."

The new men put in as divisional and company chiefs were all chosen on their career credentials, Sr Moya said. Of the 30 new company chairmen, 19 are described as being without political affiliations, with the remainder "linked to a greater or lesser degree with the Socialist Party." All but nine were promoted from within the group.

Sr Moya sees "very few positive examples" in the West of nationalised industries being successfully run on pure business lines. "Nevertheless, I believe it is possible to have nationalised industrial companies that are managed with the same criteria as private companies, that obtain equal results in competitive sectors, and in short, apart from providing a service through the maintenance of jobs, promotion of exports and technological development, that make profits and are not a burden for the community."

He is waiting for a promised new law to replace the 1941 statute under which the Franco dictatorship set the institute up as the tool of its industrialisation policy. Basically still unchanged, this statute lays down a bureaucratic authorisation process which "clogs the management" of the group.

The new law would leave control of the main public sector guidelines in the hands of parliament but give greater autonomy for the group in carrying them out.

INI's autonomy, however, Sr Moya admits, is bound to be restricted in the big "crisis" sectors by virtue of the social problems they entail.

The group's four-year programme for recovery, following three consecutive Pta 100bn ($720m) losses, envisages "thorough treatment" of the sectors in need of re-conversion, scaling them down and trimming jobs, and above all reinforcement of their capital structure and reduction of the overall debt ratio.

But the future of the chronically sick steel and shipbuilding sectors, which INI dominates, hangs on negotiations with the Government and unions and on a combination of state-backed financial and labor measures.

In the meantime, INI has drawn up a list of new sectors and products – from military electronics to biotechnology – to take over from some of its dying activities. Some of these, Sr Moya says will start up this year, and more in 1984, and INI is actively encouraging participation by private companies.

This is despite a recent bad run in INI's dealings with long-standing foreign partners – the Seat car group's divorce from Fiat in 1980 after a 30-year association, International Harvester's withdrawal from a controlling position in the Enasa lorry and bus concern in 1981, and still unresolved differences with Pechiney of France over Aluminio Espãnol, the leading Spanish producer which INI is to extract from temporary receivership.

Most of INI's big loss-makers are "lame ducks" it inherited from the private sector. Current policy, according to Sr Moya, is against taking on more unviable companies – whether from the expropriated Rumasa group or elsewhere.

"Experience has shown that for the community, and in the end the taxpayer, this solution is the most expensive way out," he maintains.

INTL. COMPANIES & FINANCE

Record full-year earnings for Hitachi and Fujitsu

BY YOKO SHIBATA IN TOKYO

JAPAN'S ELECTRONICS and communication giants, Hitachi and Fujitsu, both posted record earnings in the year ended March 31 1983, reflecting strong sales of computers and semi-conductors.

Hitachi's unconsolidated pre-tax profits rose by 12 per cent to reach a record of Y157bn ($665m) with net profits of Y74.5bn up also by 12 per cent. Sales totalled Y2,671bn, up 9 per cent. *Profits per share* advanced to Y26.59 from Y24.16 previously. The annual dividend was unchanged at Y7.

During the past year delivery of large nuclear power systems boosted sales of Hitachi's power and heavy machinery sector by 20 per cent, to 24 per cent of the total. Weak sales of colour *televisions* and white *goods* such as air conditioners saw the company's sales of consumer products fall by 5 per cent, to 22 per cent of turnover.

Sales in the electronic devices and communication equipment sector rose by 15 per cent to 30 per cent of the total, with particularly buoyant sales of computers, up 26 per cent to Y362m, and semiconductors, up 20 per cent to Y248bn. Sales of transport equipment fell by 3 per cent to account for 11 per cent of the total.

Sales in the industrial machinery and plant sector improved by 16 per cent to 13 per cent of the total sales. This includes sales of robots, up 30 per cent to Y7bn.

The growth in profits was attributed to stable material costs, lower growth in sales and administration expenditures and higher net financial income, up by Y4.5bn to Y11.3bn. These favourable factors more than offset the higher depreciation burden, up 30 per cent to Y65bn.

In the current year, ending March 1984, the company foresees a recovery in demand for consumer products helped by the inventory adjustments and *continuing strong* demand for office and factory automation equipment, VTRs and semiconductors. Sales of VTRs to RCA of the U.S. under an original equipment manufacturer contract are expected to boost sales of consumer products by 9 per cent.

Hitachi has projected pre-tax *profits rising to Y170bn*, up *8* per cent and sales reaching Y2,450bn, up 5 per cent. Capital investment for the current year is scheduled at Y140bn, up 17 per cent from 1982-83.

Fujitsu improved its pre-tax profits strongly by *25.9* per cent to a record of Y63bn. Net profits rose even more dramatically, by *63.9 per cent to a* record Y37.5bn and sales rose to Y806.8bn, up 20.2 per cent from the previous year. Profits per share for the year advanced to Y35.87 from Y23.15 and the company lifted the total dividend by Y0.5 to pay Y7 for the year.

The main contributing factors to the overall sales increase came from sales of information processing equipment, up 19 per cent to 66 per cent of turnover and sales of the *electronic* sector, up 25 per cent to 15 per cent of turnover.

*The completion of a large-*scale submarine cable system between Malaysia and Singapore boosted the sales of communication equipment by 22 per cent to 19 per cent of the total. Exports rose by 69 per cent to 23.4 per cent of turnover.

Fujitsu's earnings jump reflected the benefits from the yen's *depreciation* and the improvement in the company's net financial revenue, up by Y1.1bn on the previous year.

In the current year, ending March 1984, the company expects a good recovery in demand for computers, electronic devices and consumer electronic products. Pre-tax profits are projected as reaching Y65bn, up 3 per cent, with net profits at Y38bn, up 1.3 per cent, on *sales up 11.6 per cent at Y900bn.*

Low demand for iron ore and oil hits Japan's trading houses

BY OUR TOKYO STAFF

FOUR of Japan's leading general trading houses, C. Itoh, Marubeni, Kanematsu-Gosho and Totem, have reported results for the year ended March 1983 much affected by poor sales of raw materials such as iron ore and petroleum products. Hard hit by the burden of liquidating several subsidaries, both C. Itoh and Marubeni were obliged to cut their final dividends.

C. Itoh's sales in the past year rose by only 1.3 per cent to Y12,490bn ($53m). The company's pre-tax profits for the year, however, rose sharply, by 147.21 per cent, to Y33.8bn. After the company set aside Y26.7bn against the losses arising from the liquidation of several *real estate subsidaries* net profits fell by 38.7 per cent to Y3.1bn.

According to the company "gross operating profits, an indicator of trading profitability were strong but the company had however, to conduct drastic surgery by liquidating certain subsidaries during the past year in order to reduce the future burden and strengthen the basis of operations."

As a result, the final dividend was cut by Y2 to pay Y3 for the year.

Marubeni's turnover during the past year rose by only 0.7 per cent to Y11,631bn, hit hard *by the sharp fall in steel* exports.

Pre-tax profits fell by 2.6 per cent to Y23.2bn. The loss incurred from the liquidations totalled Y47.5bn, so despite sales of Y16bn-worth of securities and drawing down from its internal reserves, company net profits fell by as much as 93.4 per cent to Y346m. The impact from the liquidations will continue to be felt in the current *year, ending March 1984,* although the company plans to cover its losses by further sales of securities.

Kanematsu-Gosho's turnover rose by 6 per cent to Y3.45bn, thanks to strong export sales of machinery fuels. Despite the decline in gross operating profits by 7 per cent, pre-tax profits grew strongly by 3.7 times, aided by Y8.1bn profits on sales of securities.

The company made loss provisions totalling Y11.2bn for liquidating 11 affiliates and subsidiaries and losses on securities investments. In order to cover these extraordinary losses, it made a Y11.5bn profit from selling assets including its head office building in Tokyo. As a result, net profits rose by 2.6 per cent to Y118m. The company passed its dividend.

Tomen's turnover during the year rose by 5.4 per cent to Y3,916bn. Pre-tax profits advanced by 3.7 per cent to Y4bn *with net profits* at Y1.9bn, up by 3.3 per cent. The company is to pay an unchanged Y5 final dividend.

BHP share placement to raise A$99m

By Michael Thompson-Noel in Sydney

BROKEN HILL Proprietary (*BHP*), *Australia's biggest* company, is raising A$98.75m (US$86.9m) with the placement of 12.5m shares at A$7.90 each with institutional investors. The price compares with a recent local stock market high of A$8.70.

The company would not be more specific than to say that the funds would be used for general corporate development.

BHP, whose steel division lost A$117.4m in the nine *months to February 28, 1983,* is in the process of buying the Utah International Resources group from General Electric of the U.S. for US$2.4bn, so that further capital raisings later this year are *thought* likely.

Meanwhile, in Melbourne last night, the Australian *Independent* Steel *Association*, representing 38 manufacturing, processing and distributing companies, voiced stern criticism of BHP's plea for a 10-year steel protection package from the Australian Government.

BHP has said it is ready to invest A$2.8bn in steel over the next decade, if guaranteed 85 per cent of domestic steel sales over the same period. A Government decision is expected shortly.

Interim setback at National Commercial

By Our Sydney Correspondent

PROFITS AT the merged National Commercial Banking Corporation of Australia slipped by 6.8 per cent in the six months to March 31 1983, from A$81.35m to A$75.8m (US$66.7m). But the bank is paying an unchanged interim dividend of 11 cents a share, on earnings of 29.5 cents a share, against 31.6 cents previously.

Westpac, *Australia's biggest* bank, recently announced a 12 per cent profit fall for the March half, to A$101.4m. Conversely, the Australian and New Zealand Banking Group (ANZ) scored a 12.5 per cent profit boost, to A$100.3m.

The National cited difficult economic conditions, continuing cost inflation, the ravages of drought and reduced *contributions from its* finance subsidiary as among the reasons for the fall in interim profits.

UK COMPANY NEWS

Fine Art down £2.75m for year

SECOND HALF pre-tax profits of greeting card publisher Fine Art Developments dropped by £2m to £1.86m and left the figure for the year ended March 31 1983 well behind at £1.66m, compared with £4.41m previously.

At midway the group fell £195,000 into the red (£565,000 profits), the results being disappointing and below expectations, directors said. They stated that sales for the full year were unlikely to exceed those for 1981-82 with the result that full-year profits would be materially lower.

In the event sales were just ahead at £81.1m, against £80.19m, for the full period.

The dividend, however, is maintained at 3p net per 5p share with a same-again final distribution of 1.9p. Earnings per share are shown as down from 6.052p to 2.72p.

Trading profits for the 12 months amounted to £3.83m, compared with £5.54m. Interest charges were £2.2m (£2.14m) and there were associates profits of £36,000 (nil). Last year's pre-tax figure included an exceptional credit of £1m.

Tax charge was much lower at £49,000 (£843,000), minorities took £23,000 (£31,000) and there were extraordinary credits of £903,000 (£160,000 debits) being a release of part of a provision for potential capital gains tax on buildings, which directors consider is no longer required.

• comment

Sales were slightly up at Fine Art and margins have been maintained on the profitable greetings card business, so it was the mail order small gifts lines that brought down the profits so drastically. The margin on mail order gifts is much lower than for cards (indicative is that agents only get a 10 per cent discount as against 25 per cent on cards). Fine Art Developments chose to expand its mail order business a couple of years ago, just when the whole industry was hit by recession. Since then it has been cutting its losses, reducing lines, labour force and warehousing. It will give no indication of what rationalisation expenses it incurred this year or how the profits break down between divisions. But it is confident enough of the outlook for 1983 to have maintained the dividend uncovered which at the closing share price yesterday of 38p gives a yield of 11.8 per cent. Its departure into educational toys Early Learning is doing well and it expects to double the existing 22 shops this year.

BPCC sees resumption of dividends in record year

BY CHARLES BATCHELOR

British Printing and Communications Corporation (BPCC) will resume dividend payments to all classes of shareholders this year after the "extremely encouraging" result of the first four months.

Mr Robert Maxwell, chairman, told yesterday's shareholders meeting that 1983 profits would definitely exceed the record 1982 pre-tax result of £12.4m. Long-term contracts meant it could confidently forecast a return to dividend, last paid in 1979, he said.

This profits improvement will allow BPCC to reinstate increased contributions to the employees' pension schemes as agreed with the unions under its survival plan.

Following successful agreement with the unions over the closure of the Odhams printing works at Watford—bought from Reed International last December—BPCC will invest £10m this year in its other Watford plant, Sun Printers.

This will allow BPCC to offer two printing processes under one roof, gravure and web offset, and increase flexibility, Mr Maxwell said. Offset reduces lead times for inserting advertisements to three days from the 30-40 days required for gravure.

The Odhams closure will lead tified number of the 1,560 jobs. BPCC has applied for planning permission to develop the 18-acre Odhams site for a retail store and a high technology manufacturing park. This should provide 1,000-1,200 jobs.

Mr axwell said that closure at Odhams will be completed by the end of September.

BPCC is negotiating a 75 per cent reduction in the 450-strong workforce of its troubled Park Royal, West London, plant which used to print the Radio Times until the recent dispute.

Agreement has been reached in principle to install two web offset presses, but if final agreement cannot be reached by early June, Park Royal will be closed within a few weeks, Mr Maxwell threatened.

Modern Engineers omits payout

FOR THE second half of 1982 Modern Engineers of Bristol (Holdings) has failed to reach its forecast or break-even. Therefore, the final dividend is passed and that means no payment for 1982, against a total of 2p in 1981.

The directors explain that overseas contracts scheduled for fabrication in the second half were delayed further. However, those are now progressing satisfactorily and, if the anticipated improvement in trading is sustained, the directors intend to pay an interim dividend in the autumn.

For the year group turnover came to £7.2m (£6.98m) and the loss to £341,554, compared with £497,624 which included a £150,000 exceptional charge. Loss per share turned out to be 11.39p (16.62p) and there are redundancy pay and payments in lieu of notice £65,078 (£22,177).

As the current year will benefit from the work delayed last time, the activities in the fabrication and building divisions should enable the group to return to profitability in the first half of 1983.

Annual meeting, Bristol, June 29 at noon.

John Carr expansion continues: £1m gain

THE UPSURGE shown by John Carr (Doncaster) in the year ended September 30 1982 has continued into the current term, and for the first half ended March 31 1983 the profit before tax has advanced by over £1m to £3.03m. Turnover shot up by £6.27m to £18.24m.

Carr in engaged in joinery manufacturing. In February this year it completed the acquisition of Sharp Bros and Knight, which is involved in joinery manufacture and the distribution of doors. Reorganisation has led to a loss at Sharp but the situation should improve as the year progresses.

On the capital increased by the acquisition Carr is lifting its interim dividend from 0.6p to 0.78p net, from earnings of 4.25p (2.92p). Last year it paid a total of 1.9p.

The new manufacturing plant and distribution centre at Corby has been trading since December. Start-up costs have created a deficit in the short-term, but the company is making the progress planned and meeting its objectives .The remainder of the group has run with good order books, and this is continuing, the directors tell members.

In the year ended September 30 1982 the group had pushed up its profit before tax from £3.48m to £4.8m. The halftime increase amounted to £903,000.

Fidelity hit by big loss on CBs

THE RETURN to "satisfactory" profits at Fidelity Radio has been deferred by a big loss on mobile CB radios. Therefore, in the year ended March 31 1983 the profit before tax has been held back to £80,000, after reaching £218,000 at the half way stage.

In the previous year the group incurred a loss of £245,000, reduced from £544,000 shown at the end of the first six months.

The dividend is being held at 0.1p net per share. It is too early in the current year to forecast the levels of profit or dividend, but the company intends to resume payment of dividends at a "normal rate" as soon as possible.

Turnover for the year moved up by some £3m to nearly £33.4m. Colour television has become the company's largest single product and accounted for 41 (24) per cent of total sales. Audio rack systems contributed 22 (16) per cent. The mobile CB radios were disposed of in February and March at nominal prices and were responsible for a loss of profit of some £700,000. Without that non-recurring factor a satisfactory profit would have been made, the directors claim.

Trading in the current year is promising. The order book is a record and accounts for a very large proportion of the planned production to Christmas, the directors state. TV sets are budgeted to account for over 35 per cent of sales, but with greater emphasis on large screen and teletext facilities. Several improvements have been made to the rack systems, which are expected to account for over 20 per cent of sales.

The directors' policy is to build on the company's existing strengths. The company has well developed distribution channels and adequate productive capacity for its planned expansion.

Fidelity has received an order from British Telecom for cordless telephones worth over £1m, and indications are that further substantial orders will be placed in the near future. Fidelity is investigating more applications for telecommunications-related products.

TDK listing

The Japanese company TDK which is the world's largest manufacturer of magnetic recording tapes and ferrite products has applied for a listing on the London Stock Exchange.

The listing is being sponsored by J. Henry Schroder Wagg and Co, Credit Suisse First Boston, and Nomura International. Brokers to the listing are Vickers Da Costa.

As of yesterday, TDK, which is also a major manufacturer of coil and ceramic electronic components, had 109,417,037 shares in issue with a par value of Y50 per share and a market capitalisation of Y542.71bn.

Deritend Stamping in the red but pick up this year

A DIVE into the red in the second six months ended February 28, 1983 left Deritend Stamping with a full year pre-tax loss of £213,000, as against a profit of £808,000 previously. Sales of this forgings, castings and electrical installation and repair group edged up from £32.87m to £33.45m.

At the interim stage, when profits were £300,000 lower at £51,000, the directors explained that the severity of the recession was necessitating further redundancies and restructuring within certain areas of the group's activities.

They now report that following these changes the group is again profitable and, although trading remains patchy, an encouraging first six months of the current year is anticipated.

Based upon the indications for the first few months of 1983-84 and the group reserves, a final dividend of 2.8p (5.3p) is recommended. The total payment is, however, 2.5p lower at 5p net per 50p share. Stated loss per share came out at 5.4p (12.1p earnings).

At the trading level, profits showed a reduction from £1.28m to £357,000, before charging interest of £570,000 (£467,000). The attributable deficit was £1.88m, compared with a £639,000 profit, after a tax charge of £73,000 (£169,000) and an extraordinary debit of £1.59m this time.

Redundancy and reorganisation costs, together with the loss on the sale of Bescot Drop Forgings, are included within the extraordinary items.

With dividends absorbing £264,000 (£395,000), the retained deficit emerged at £2.14m (£244,000 profit).

Allied Leather in profit

As indicated by the directors the results of Allied Leather Industries for the second half of 1982 have shown an improvement, and give a profit of £575,245 for the full year, compared with £1,439,183 previously.

In the first half the company had run into a loss of £165,000 before crediting £77,000 profit realised on disposal of properties. In the 1981 comparative period there was a profit of £388,000.

The dividend is being held at 5.5p net per share, with an unchanged final of 3.75p.

Turnover for the year amounted to £26.13m (£25.19m). There is a tax credit of £160,390 (charge £227,720) and this time an extraordinary debit of £110,261, to leave the attributable balance at £625,374 (£1,211,463). Earnings are shown to be 33.82p (57.61p) per share.

Annual meeting, Grosvenor Victoria Hotel, July 4.

Ace Belmont

AN INVESTMENT programme to completely modernise the touring caravan production process has helped caravan manufacturer, Ace Belmont International to raise trading profits from £486,000 to £524,000 for the six months to the end of February 1983.

This was achieved on a slightly reduced turnover of £13.56m, against £13.75m. After-tax profits came out at £492,000 (£462,000) and after extraordinary items, the net balance was £481,000 (£438,000).

The chairman forecasts that the company should consolidate its profitability and position as clear market leaders in the second half. The company's ordinary shares are all privately held.

UK COMPANY NEWS

Plessey advances 31.3% to £146.4m

FINAL QUARTER pre-tax profits of telecommunications and electronic systems concern Plessey Company increased from £32.67m to £44.36m and lifted the figure for the year ended April 1 1983 to £146.36m, compared with £111.44m previously, an advance of 31.3 per cent.

Turnover went over the £1bn mark with a £111.7m expansion—11.6 per cent—to £1.07bn with sales in the last three months of the year rising from £289.17m to £345.75m.

Earnings per share are shown as 33.99p, against 29.31p.

The directors intend to recommend for shareholders' approval a capital restructure by making a one-for-two scrip issue and then a sub-division of the 50p shares into 25p.

Conditional upon approval a final dividend of 1.945p per 25p share will be proposed which will make an equivalent 3.30267p net total for the year. This is compared with an adjusted 2.8707p for 1981-82.

A divisional analysis of turnover and operating profits—£119m (£100.14m)—shows: telecommunications £507.46m (£416.89m) and £67.53m (£54.51m); electronic systems and equipment £325.97m (£278.58m) and £29.07m (£21.95m); microelectronics and components £96.4m (£113.8m) and £8.5m (£6.3m); aerospace and engineering £120.43m (£123.88m) and £11.35m (£15.34m); computer peripherals £24.49m (£27.92m) and £2.45m loss (£1.79m loss); group services £4.99m profit (£3.83m).

An increase of 23.9 per cent on the telecommunications side was due mainly to higher sales both in the UK and overseas, and further improvements in manufacturing efficiency, the directors state. Stromberg-Carlson Corporation, acquired last October, contributed sales of £49.2m but incurred an operating loss of £1.9m.

Sir John Clark, chairman and chief executive of the Plessey company with the Plessey Monarch 120 private digital exchange

Sir John Clark, chairman, said later that the group had invested a further £13m in Stromberg and that after all adjustments the net cost of this U.S. concern, in terms of the latest results, was some £4m.

He added, that improvements were being looked for in the current year, and it should move into a profitable position in the final quarter.

He said that a question mark still seemed to hang over the future of the U.S. computer peripherals business. It was profitable in the final quarter and Sir John said there had been a slight improvement in the market generally but he warned, "there is a long way to go to get that business into a healthy state."

The electronic systems and equipment sector had an outstanding year, particularly in exports, directors report with overall margins improving from 7.9 per cent to 8.9 per cent.

In the aerospace and engineering division all of the businesses performed well at home and overseas except the U.S. where the effects of the recession reduced profits by 4.7m.

For the 52 weeks cost of sales took £772.76m (£712.91m) and other operating expenses £182.99m (£150.02m), leaving the group operating profit ahead by £19m at £119m.

The pre-tax figure included associates share of £6.65m (£4.42m) and investment income, much higher at £33.43m (£22.27m), but was struck after interest payable of £12.72m, against £15.39m last time.

After tax, £22m higher at £60.53m, minorities £3.04m (£2.03m) and extraordinary debits of £1.35m (£2.89m credits) the attributable balance came through ahead from £73.76m to £81.45m. Dividends, including the final, will absorb £24.46m (£20.96m), leaving £56.99m (£52.8m) retained.

Group order book as at April 1 amounted to £1.44bn (£1.21bn) and was split as to: telecommunications £593.58m (£495.45m); electronic systems and equipment £708.26m (£654.33m); microelectronics and components £47.09m (£41.43m); aerospace and engineering £106.85m (£81.09m); computer peripherals £5.83m (£4.17m); less inter-company content of £21.65m (£65.58m).

Sir John pointed out that the workforce total fell by some 2,300 to under 31,000 last year, and excluding the Stromberg deal, there was also a small reduction overseas. Further cuts were likely in the current year.

Plessey's cash mountain currently stands at £272m, but Sir John said the group had no specific plans for the money.

In January the company and Scientific-Atlanta Inc announced agreement for exploiting international markets in satellite and cable communications equipment.

See Lex

M & G profits jump 72% to £2.62m midway

PRE-TAX profits of the M & G Group, unit and investment trust manager, soared in the six months ended March 31 1983 by 72 per cent from £1.52m to £2.62m.

The interim dividend is boosted by 2p net per 25p share to 8p and the directors expect to recommend a final payment of not less than the 9p paid last year. Earnings per share are shown as 16.81p, against 10.74p.

The directors say the much improved profits were due to improved markets, particularly in the UK and the U.S.; greater confidence and activity in unit trust business, and a marked upturn in high yielding and recovery shares in which the group specialises.

They point out that profits do not accrue evenly throughout the year and do not take into account, at the midway stage, results of the life assurance business—as stated in January there has been a substantial expansion in the group's assurance activities.

Pre-tax figures for the six months included trading profits of £2m (£1.02m) from M & G and associated unit trusts, leasing £211,000 (£133,000) and dividends and interest received of £333,000 (£306,000).

Tax charge took £1.08m, compared with £544,000, leaving net profits 58 per cent higher at £1.54m (£975,000). Dividends will absorb £732,000 (£545,000).

Net assets per share are given as 182.58p (124.35p).

● comment

M&G's performance was partly distorted by the unusual slackness of the previous interim period. So its 72 per cent advance pre-tax only sent the shares up 10p to 480p, where they yield 5 per cent, assuming a maintained final dividend. Around two-thirds of the profits increase came from revenues on existing holdings, pushed up by the steeply rising value of the underlying funds, while the remainder came from intitial charges on new business. However, profits rose more quickly than world equity markets because of the group's concentration on high yielding and recovery shares, which have outperformed the indices. M&G estimates that around 5 per cent of the profits increase came from the rise in charges for overseas funds it introduced at the end of last year. Meanwhile, the new gold fund has attracted nearly £5m in its first month and premium income from the life assurance business is running at double last year's rate. Barring any nasty election shocks, analysts expect about £5m pre-tax for the year.

RHP plunges into loss —interim cut

FURTHER REDUCTIONS in volume and increased price competition have caused RHP Group to plunge into the red in the 26 weeks to April 1, 1983. A pre-tax loss for the period of £899,000, compares with a profit of £890,000 last time, which had reached £3.93m at the year end.

First-half external sales of this maker of bearings, electrical products and fasteners dropped from £55.35m to £51.3m. The markets for RHP's products, both in the UK and overseas, have declined during the period and continue to remain depressed.

Prospects, however, are better than the experience of the immediate past, although second-half results are not expected to match those of the corresponding period last year.

In view of the first-half losses, and also to conserve cash resources, the directors are cutting the interim dividend to 0.5p (2p) net per 25p share. They will recommend a final in the light of second-half results and the prospects thereafter—last year's final was 2p.

A pre-interest profit of £0.52m (£2.56m) was split between: bearings £0.67m loss (£1.3m profit); electrical £0.97m (£0.92m) and fasteners £0.22m (£0.34m).

● comment

Loud and clear the message from RHP's half time figures is that the general commodity end of the engineering sector is not seeing a recovery. And with RHP slashing its interim payout to ½p some of the optimists must be worrying that there will be a wider spread reappearance on the dividend cutting stage. Certainly now could be the time to reappraise some of those recovery stocks. That said RHP has fought creditably against the continuing volume decline that dogs its bearings business. Yet the order book shows such short lead times that predicting the extent of the second half recovery the company is looking for is real stab in the dark work. Profits could be anywhere around the £1m to £2m mark. The shares dropped 9p to 39p yesterday and it would not be surprising to see a few more pence come off over the next couple of weeks.

Stainless dealings

Dealings began on the USM yesterday in the shares of Stainless Metalcraft. The shares opened at the offer price of 120p, but failed to reach a premium and closed 12p down at 108p.

Applications for 30,000 shares and above in Stainless were allotted to the extent of 80 per cent. On Tuesday it was reported that allotments totalled 90 per cent.

Walter Lawrence

Mr J. A. Redgrave, chairman of Walter Lawrence, said at the AGM that with three months of the current year completed management accounts show an increase on profitability over the same period last year.

He said the board can view the future with confidence

Greenall Whitley shows 6% rise in first half

FOR THE six months ended March 31 1983 trading profit of the Greenall Whitley group of brewers and hoteliers rose by 8.7 per cent to £8.45m. There is a reduced surplus on disposal of properties and the profit before tax came to £8.96m, an increase of 6 per cent over the 1981-82 period.

Earnings on the ordinary are shown at 5.09p (4.99p) and on the A ordinary at 1.02p (1p). The interim dividend on the ordinary is 1.7943p (1.7089p) and on the A ordinary 0.3589p (0.3418p).

In their interim report the directors state all three breweries produced satisfactory financial results, which is in large measure due to the very close control of costs and the maintenance of profit margins.

While the heavy investment programme in the North West outlets continues, there is no real sign of an upturn in beer volume sales. Wem Brewery's profits have held up well in the West Midlands and Shipstone's volume and net profit have shown useful increases in the East Midlands.

G. and J. Greenall, including the off-licence chain, and GW Hotels are recovering well from the effects of the recession. Cambrian Soft Drinks produced disappointing results largely because of the low demand for mixers in the on-licensed trade and the cost of redundancies.

However, the company is investing in the production of soft drinks for the take-home trade and anticipates "much better" results in the second half.

The purchase of two more hotels in New Jersey and one in Connecticut has greatly improved the economics of operating the Treadway Inns subsidiary in the U.S. There are now eight hotels owned by the group with a total of 956 bedrooms and the profitability of the U.S. hotel operation is increasing significantly.

In the leisure division profits have increased due to very good results from Stretton Automatics. the amusement machine subsidiary. Arrowsmith incurred a larger loss in the first six months than had been anticipated because of the measures of cost reduction taking longer to come through.

However, these are now taking effect and the directors are hopeful that Arrowsmith will achieve a profit in the summer and are optimistic about the future.

They are confident that the group will generate a succesful outcome for the current year.

The half year's trading profit was struck after higher depreciation, repairs, interest payable and redundancies. After tax of £3.08m (£2.72m) the net profit came out at £5.88m (£5.74m). For the previous 53 weeks the net profit was £14m, after tax of £6.71m.

See Lex

HIGHLIGHTS

Lex looks at Plessey's full-year figures which were unveiled yesterday. At the pre-tax level the group is ahead from £111m to £146m in the year to April, a rise which injected another 25p into the share price to close at 680p. The column then goes on to examine the state of the brewery sector in the light of a number of regionals who reported yesterday lead by Greenall Whitley. Beer volume is still under pressure but, thanks to cost-cutting, profits in general are holding their own. Finally Lex comments on the sterling's movements in response to the opinion polls ahead of the election.

Morland rises and pays 2p

For the six months ended March 31 1983 pre-tax profits of Oxfordshire-based brewer Morland & Co. rose by £81,876 to £883,158 compared with the same period last year and the net interim dividend is being stepped up by 0.5p to 2p per 25p share.

The directors say the results for the full year will depend on sales volume throughout the summer and that it should not be assumed at this stage that the total dividend will be increased —6p was paid for 1981/82

Buckley's Brewery falls to £870,059

Despite an increase in turnover from £10.35m to £10.86m, pre-tax profits of Llanelli-based Buckley's Brewery dropped from £1.11m to £870,059 for the year to April 2 1983. First-half taxable figures had slipped from £562,405 to £469,887.

After tax of £177,855 (£205,370) yearly earnings per 25p share declined from 7.1p to 5p. The dividend total however is raised to 2.45p (2.35p) net with a final of 1.7p.

Heavitree Brewery lower at £215,737

Pre-tax profits of Exeter-based Heavitree Brewery fell from £290,029 to £215,737 for the six months ended April 30 1983 following a £58,665 jump in interest charges to £83,148 and a £33,540 (nil) loss by a subsidiary.

Turnover moved ahead from £1.8m to £1.93m. Associate losses were reduced from £14,292 to £7,903. Interim dividend is held at 6.6p. The group has close status.

Young Brewery up £0.4m

TAXABLE PROFITS of the Wandsworth-based Young and Co's Brewery increased from £1.84m to £2.22m for the year ended March 31 1983 following the half-time rise from £1.07m to £1.24m. Turnover rose by £2.66m to £30.61m.

Stated earnings per 50p share improved from 13.9p to 14.32p after a tax charge this time of £327,000. The total dividend is effectively increased to 4.5p (adjusted 3.5p) net, with a final of 2.5p.

Pre-tax profits included a gain of £82,000 (nil) on property sales and were struck after the £46,000 (nil) cost of the bonus issue. Last year, there was also an additional contribution to the pension fund of £200,000.

Mr John Young, the chairman, says that following large expenditure on the rebuilding and extending of the brewery, the company will be concentrating on its retail side. There was a £300,000 rise in the amount spent on its pubs last year.

Mr Young adds that the company is looking for more pubs to add to its chain of 138 and a number are under review.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied Leather	3.75	July 6	3.75	5.5	5.5
Brockhouse ... int.	Nil	—	Nil	—	0.1
Buckley's Brewery	1.7	—	1.65	2.45	2.35
J. Carr ... int.	0.78	July 15	0.6	—	1.9
Delyn Packaging	1.5	July 15	1	1.5	1
Deritend Stamping	2.8	July 22	5.3	5	7.5
Fidelity Radio	*0.1*	—	*0.1*	*0.1*	*0.1*
Fine Art	1.9	June 9	1.9	3	3
Greenall Whitely ... int.	1.79	July 22	1.71	—	3.69
Heavitree Brewery int.	6.6	July 25	6.6	—	23.6
Philip Hill Inv.	5.5	July 27	4.95	7.5	6.95
Jantar	1.5	July 27	1.5	1.5	1.5
London Sumatra	6	July 7	6	8	8
M & G Group ... int.	8	July 1	6	—§	15
Modern Engineers	Nil	—	1	Nil	2
Morland & Co. ... int.	2	July 4	1.5	—	5
Plessey	1.95¶	Jan 2	1.69*	3.3*	2.87*
Portsmouth & S'land	2.75	Aug 1	2.5	3.75	3.5
Pyke Holdings ... int.	1.5	—	Nil	—**	2.5††
RHP ... int.	0.5	July 22	2	—	4
Richards ... int.	0.3	—	0.3	—	0.6
Rowe Evans	0.6‖	—	0.25	0.6	0.25
Scottish Investment int.	1.7	July 18	1.7	—	4.7
Stockholders Iv. Tst. int.	1.75	July 8	1.75	—	3.85
Young & Co's Brewery	2.5	—	2*	4.5	3.5*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Final of not less than 9p forecast. ¶ Payable on capital after scrip issue and share split. ‖ For nine months. ** Final of not less than 1.5p forecast on increased capital. †† For 15 months.

MINING NEWS

New gold area will give Randfontein longer life

BY GEORGE MILLING-STANLEY

SOUTH AFRICA'S oldest producing gold mine, **Randfontein Estates**, plans to turn to account an area adjacent to the present property which will prolong the life of the operation until well into the next century.

The mine celebrates the 100th anniversary of the start of milling in just six years, although production from the original Randfontein section was replaced with ore from the Cooke section in 1974.

Randfontein plans to bring in the new area, to the north-east of Cooke, as a gradual replacement for Cooke as the latter winds down over the next 14 or 15 years.

The mine's interest in this area has been known for some time. Yesterday the group revealed that it has reached agreement to acquire the mineral rights on the areas of interest in return for the issue of 700,000 new shares in Randfontein Estates.

The recipients include **Johannesburg Consolidated Investment** ("Johnnies"), Randfontein's parent company, which will receive 532,842 shares.

The remainder will be divided between **Anglovaal** (55,032 shares), **New Witwatersrand** (87,869 shares) and **South Roodepoort Main Reef Areas** (24,257 shares).

The new area is roughly triangular in shape, bounded on one side by the Cooke section, on the second by the **Durban Deep** gold mine, and on the third by the Black township of Soweto.

It includes the bulk of the old South Roodepoort gold mine.

The cost of Randfontein's acquisition of title to the ground, which measures 3,056 hectares, was around R127.4m at the time the agreement was signed, or about £74m at yesterday's London closing price for Randfontein of £105.5.

Randfontein will need to spend a further R375m (£223m) to bring the area to its planned initial throughput of 50,000 tonnes of ore per month by 1987, Mr Doug Stevenson, finance director of Johnnies, said yesterday.

An additional R300m will be required to bring the milling rate up to the eventual target of 300,000 tonnes a month.

There will be substantial tax savings against the total capital cost of bringing the area to production, as was the case recently with the development of the North Driefontein and Erfdeel/Dankbaarheid areas.

This is because capital expenditure in the new area can be offset against the profits of the existing operation.

Mr Stevenson said Randfontein hopes to be able to fund the after-tax capital cost of the expansion out of the distributable earnings of the present operation, but this of course will depend on the trend of Randfontein's earnings over the next few years.

This, in turn, depends on the gold price, and Mr Stevenson said he could not rule out the possibility of a rights issue to raise funds at some point.

In any event, Randfontein's ability to pay dividends will be restricted to some degree for the foreseeable future, although Mr Stevenson pointed out that the burden of capital spending for the first phase will be fairly light over the next couple of years.

The years 1985, 1986 and 1987 will see the heaviest spending on the initial development, and the pace at which the new area is taken to full production of 300,000 tonnes a month will depend on the prevailing economic circumstances.

The new area contains an estimated 44m tonnes of Kimberley reef, grading an average of 6 grammes of gold per tonne, and a further 17m tonnes of South reef with an average of 10 grammes. It will have an economic life of at least 30 years, and possibly much longer.

International round-up

HIGHER GOLD prices and increased production have helped Canada's **Dome Mines** to achieve net profits of C$24.7m (£13m) for the first quarter of this year, compared with less than C$200,000 in the opening three months of 1982.

Mr Malcolm Taschereau, president, attributed the improvement to a 29 per cent rise in the amount of gold produced to 112,174 ounces, an increase of 30 per cent in the average price received per ounce, a reduction in the company's share of the losses of **Dome Petroleum**, and a gain of C$13.6m on the sale of Dome's stake in **Denison Mines**.

Bullion revenue was C$63.3m, compared with C$37.6m last time.

* * *

Canada's **Campbell Red Lake Mines**, the country's biggest gold producer and a subsidiary of **Dome Mines**, recorded net profits of C$18.3m (£9.6m) in the first quarter of 1983, against C$8.7m a year ago.

Earnings per share came out at 38 cents, up from 18 cents last time.

Bullion revenue rose to C$29.4m from C$21.9m, with the average price rising to C$567 from C$427.

Production rose to 51,948 ounces, against 51,436 oz. Net profits included a gain of C$6.8m from Campbell's share of the sale of Dome Mines' stake in Denison Mines.

* * *

Sigma Mines (Quebec), a gold-producing subsidiary of **Dome Mones**, has turned in net profits for the first quarter of C$5.1m (£3.7m) compared with C$1.6m in the corresponding period of 1982.

Increased production and the higher gold price were largely responsible for the better performance.

* * *

An accident over the weekend at the No. 3 shaft of South Africa's **President Brand** gold mine has caused irreparable damage to the rock hoist. A replacement hoist will take about four months to install and commission.

The mine, part of the **Anglo American Corporation** group, estimates that this year's gold output will be only marginally below forecast.

* * *

Canada's **Starrex Mining Corporation** reports that drilling at its 50 per cent-owned Star Lake/Waddy Lake gold prospect in Saskatchewan has identified economic grades of gold mineralisation. Drilling is to resume in mid-June.

Operator for the project is the state-controlled **Saskatchewan Mining Development Corporation**.

COMPANY NEWS

Little change for Brockhouse

THE FIRST six months for Brockhouse were virtually static with sales and losses emerging at almost the same levels as those reported for the interim period last year.

The directors say the pattern of business was patchy but an underlying gradual improvement is now evident—the group has interests in engineering, transport, building and materials handling and equipment manufacture.

Sales, covering the half year to March 31 1983, totalled £30.38m, compared with £30.53m, and at the pre-tax level a deficit of £795,000 was incurred, against a previous £814,000.

There is again no interim dividend—a nominal 0.1p per 25p share was paid for 1981-82. Stated loss per share for the six months came through at 7.88p (7.58p).

Apart from Brockhouse (Central Africa) the overseas companies held up well. The Canadian company suffered most from the world recession but is recovering more strongly than expected.

At home mixed fortunes were experienced with the steel division still suffering from low demand and cheap imports coupled with disrupted overseas markets.

Other divisions reflected some improvement which the directors say should continue through the second six months.

The loss for the opening half was struck after taking account of interest charges £294,000 lower at £719,000.

Tax for the period took £556,000 (£475,000) with the UK take up from £43,000 to £98,000. Minorities accounted for a same-again £4,000.

Redundancies, mainly in the castings and forgings division, amounted to 143 and cost in total £169,000. Non-recurring reorganisation costs totalled £51,000 and bad debts £81,000.

In accordance with SSAP 14 Brockhouse (Central Africa), Zimbabwe, has been excluded from the results due to severe restrictions which significantly impair control over this subsidiary's operations for the foreseeable future.

Spencer Clark profitable: rationalisation completed

FOR THE first time in two and a half years, Spencer Clark Metal Industries is moving into profitable trading.

In the first half to March 31 1983 the trading loss before tax has been cut from £389,000 to £265,000, and is being reduced further.

Rationalisation and reorganisation costs of £168,000 takes the loss before tax up to £433,000. Turnover was almost maintained at £4.38m (£4.22m).

The directors report that overheads have been reduced substantially with the completion of the rationalisation programme.

Any upturn "continues to be elusive," particularly for the agricultural, engineering and aerospace materials. But good progress has been made with the stainless steel construction industry products, and the North American subsidiary is fulfilling its early promise of both increasing business and opening up opportunities for the futre.

In 1981-82 the group incurred a loss of £875,000 and the year before £629,000. The last dividend was an interim of 0.4p paid in July 1981.

ROWNTREE

The Rowntree Mackintosh acquisition of Laura Secord, the Canadian confectionery business, has been completed.

BUSINESS LAW

Airline liability confusion

BY PETER MARTIN AND JOHN BALFOUR*

THE DECISION of the Court of Appeal in *Goldman v Thai Airways International Ltd*[1] earlier this month drew attention to the application of the *Warsaw Convention*[2] to international air travel and reminded us that the liability of an airline was usually severely limited.

Mr Goldman's back was broken crossing a patch of severe turbulence on a flight from London to Bangkok; damages were held to be restricted to the convention's passenger liability limit of 250,000 gold francs (as to the value of which, see below).

Although this case demonstrated the current inadequacy of the limits, it did not concern, and hence did not disclose the difficulty, and resulting confusion and uncertainty, now widely experienced in the establishment of the correct local-currency equivalents of the convention's gold francs.

The principal purpose of the limited liability established by the convention was to protect an infant industry from disastrous and possibly uninsurable claims. To ensure, so far as practicable, uniform translation of these compensation limits throughout the world they were expressed in "francs," defined as currency units of 65.5 milligrammes of gold of fineness 900/1000.

So long as gold was used as the common denominator in the international monetary system, this objective was generally attained. Since April 1, 1978, however, when gold was demonetised, the problem of how properly to convert the convention's gold francs has arisen acutely.

To anticipate the problem, most of the parties to the convention met in Montreal in 1975 and signed four additional protocols to it, which substituted for the gold franc the Special Drawing Right, the international *monetary unit of account* created by the IMF in 1969. None of these protocols, however is yet in force anywhere. So the convention's gold francs prevail as its units of account, and conversion problems abound.

Courts faced with the problem in various countries have, oddities apart, favoured one of three main approaches: to take the current local market value of 65.5 milligrammes of gold of fineness 900/1000 as a base; to take the last official parity of the local currency (or sometimes the dollar) in terms of gold: and to take 15 gold francs as equal to 1 SDR, as they were on March 31, 1978, the last occasion on which an SDR had a fixed gold value. Each approach has attained reputable authority with even courts within a single country seeking to differ.

The issues were emphasised by the U.S. Court of Appeals for the Second Circuit in the cargo case of *Franklin Mint v. TWA* on September 28, 1982. The court, finding itself unable either to adopt any of the three solutions usually canvassed or to select a new solution, held that the relevant convention limit (of 250 gold francs per kilo in the case of cargo) was therefore unenforceable. Whether the decision of the Supreme Court on appeal can resolve the uncertainty remains to be seen. As the Court of Appeals certainly implied, a legislative solution is called for.

The opportunity for such a solution in the U.S. arose in March 1983 when the U.S. Senate debated the question of the ratification of the Montreal Additional Protocols, but the two thirds majority required was not achieved, principally as a result of anti-limitation lobbying. The result in the U.S. is therefore uncertainty as to which conversion method applies or even whether *any limits now apply at all.*

Air law is not a universal discipline, although to a large extent regulated by various international conventions. The interpretations in *each jurisdiction* are *binding in that* jurisdiction alone; they may have some persuasive effect elsewhere, but not always. The approach of the UK to conversion is quite different from that of the U.S.

Conversion of convention limits *was not raised* in the *Goldman* case and has never been litigated in England: Sterling equivalents here are statutorily prescribed, on the basis of the SDR solution, by orders made under the Carriage by Air Act 1961 by the Secretary of State for Trade. The latest came into operation *on May 9, 1983 and provides* that the equivalent of 250,000 gold francs (the passenger liability limit) is £11,789.

The severity of the convention's limits has been mitigated to a certain extent by "special contracts" by which the convention allows an airline to agree a higher limit of liability.

Special contracts of $75,000 (inclusive of costs) for passenger liability have been mandatory since 1966 for any airline entering, leaving or making a stopover in the U.S. Since 1975 the adoption of a special contract has been a condition of the grant of a UK air transport licence. The figure required is now 100,000 SDRs (approximately £70,000 and the same as the passenger liability limit in UK domestic carriage). A special contract on the part of Thai Airways International was conspicuously absent in the *Goldman* case, although many non-UK airlines have long since adopted them.

It was suggested in both the Pearson Report[4] and a leading article in *The Times* on May 11 that the UK might follow the U.S. lead and demand that all foreign airlines entering or leaving the UK adopt a special contract at 100,000 SDRs.

That would lead to some local improvement but not, of course, to a long-term international solution. An international solution can only be obtained by fresh international agreement on the fundamental questions – the existence of limits, their levels and the units in which they should be expressed. The prospects of reaching such agreement are not, however, great, due to marked differences of opinion between the more and less developed countries and an irrational fear in the latter that insurance cover for higher levels might be too expensive for their airlines to maintain.

In the meantime the existing regime, if it can still be so described, prevails by default, uncertainty reigns, and international consistency – one of the basic purposes of the original convention – has been lost. Whatever the alternatives, the present muddle is undesirable and unattractive.

If international agreement cannot be reached, the initiative lies with the more developed countries – either to follow the lead of the U.S. by demanding special contracts from airlines (preferably at a minimum of 100,000 SDRs) – or to go further and abandon the convention's limits entirely, while retaining the choice of law, jurisdiction and time-limit provisions which are its other and most valuable features.

**The authors are solicitors practising air law in London*

[1] The Times, May 7, 1983

[2] The Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw, October 12, 1929, as amended (in the case of most countries) at The Hague, September 28, 1955

[3] 690 F. 2d 303 (2d Cir. 1982)

[4] Report of the Royal Commission on Civil Liability and Compensation for Personal Injury, Cmnd 7054, 1978

Acas decision on Ford worker expected

BY BRIAN GROOM, LABOUR STAFF

THE FATE of *Mr Paul Kelly*, the 25-year-old Ford assembly worker whose dismissal for alleged vandalism caused a month-long strike at Halewood, Merseyside, is likely to be settled today.

A three-man inquiry, set up under the auspices of the Advisory, Conciliation and Arbitration Service (Acas) when the dispute ended seven weeks ago, is believed to be ready to make its recommendations, which are binding on both company and unions.

It is widely expected within the motor industry that the inquiry will support Ford's allegation that Mr Kelly deliberately bent an 86p instrument console bracket inside a GL model Escort on February 23.

However, most observers believe the panel will try to spread the blame, as is usual in such inquiries. It is possible the inquiry could suggest that sacking was too serious a punishment for the offence, especially as Mr Kelly's only previous misdemeanor in four years was poor timekeeping.

Mr Kelly is suspended on basic pay pending the outcome of the inquiry. A ruling that he was guilty but should keep his job would risk satisfying no-one, and it is hard to see how Mr Kelly could continue working at Halewood with the stigma.

Alternatively, a ruling that he was innocent would be a serious embarrassment to Ford, which stuck firmly to its belief that he was guilty, through five appeals and a strike costing £90m worth of production.

NETHERLANDS ECONOMY

Dutch lose shine of prosperity as natural gas sales slump

BY WALTER ELLIS IN AMSTERDAM

FOR YEARS the Netherlands has managed to exude an aura of solid prosperity and social wellbeing in almost equal measure, but today that image is suffering a severe economic buffeting.

Unemployment is running at a rate of 15 per cent, and in an attempt to restrain the budget deficit, the Centre-Right Government has been forced to introduce major cuts in social services – a process which has produced sharp divisions in the ruling coalition of Christian Democrats and Liberals.

Central to the country's economic difficulties is a dramatic slump in sales of natural gas from the huge Dutch offshore fields because of international recession and energy conservation.

The respected NRC Handelsblad has even described the country as the "new sick man of Europe."

But first the good news. Inflation is extremely low – just over 3 per cent – and is set to drop to 2 per cent by December. The guilder is strong, and interest rates, though under some pressure, are sharply down on 1982 levels and the surplus on the current account of the balance of payments this year is expected to be around Fl 10bn ($3.6bn).

Mr Ruud Lubbers, who leads the current Centre-Right coalition of Christian Democrats and Liberals, told an eager audience of building contractors last month that industrial output in the Netherlands this year would stabilise and that the level of investments would rise slightly. He also saw interest rates resuming their downward trend as inflation dropped.

The Netherlands, he said, required the benefits of a general world recovery if its position was to improve this year, but the bottom point in the recession had at least very nearly been reached.

Mr Willem Duisenburg, governor of the Dutch central bank, has also warned recently that the Dutch cannot expect their position to improve without an overall international upturn.

He forecast that the recovery would start in the Netherlands in 1984 and felt that if the Government stuck to its policies, the country would be able to embark on recovery from a "not unfavourable position."

The bad news is that unemployment is currently running at nearly 15 per cent, according to EEC calculations, and at 16.5 per cent by Dutch evaluation. The dole queues are, moreover, lengthening at a faster rate than anywhere else in the EEC, and young people are the worst affected of all. Fully 35 per cent of the labour force under the age of 25 are unable to find work, compared with 28 per cent in Britain and 15 per cent in West Germany.

Partly because of the high costs of unemployment, but also because of an unexpectedly severe drop in its income, the Government, which took office last November, has been forced to make savage cuts in the fabric of social welfare and has introduced savings in the state budget this year so far of no less than Fl 15bn ($5.4bn). Even so, the budget deficit continues to rise and the present prospect is for a shortfall equivalent to 12.5 per cent of national income.

On the industrial front, bankruptcies remain at all-time record levels. Some 8,000 companies went out of business last year and a larger number is expected to go bust in 1983. A majority of those surviving, traditionally used to heavy levels of re-investment from profits, have had to cut back substantially on the purchase of new plant and equipment.

Economic growth this year, according to Mr Duisenberg, will be between 0 and 0.5 per cent, against 2-3 per cent for West Germany, 2 per cent for France and the UK and 4 per cent for the U.S. He blames lagging growth on the relatively poor equity position of Dutch trade and industry and pointed out that balance sheet ratios had deteriorated in the Netherlands more than elsewhere.

Yet both Mr Lubbers and Mr Duisenberg believe that a recovery is on the cards. Neither, however, doubts the magnitude of the task ahead.

Central to the Government's dilemma is the dramatic slump in sales of Dutch natural gas. The volume traded last year fell by 12 per cent, to a 10-year low of 70.8bn cubic metres, and there is very little chance of any improvement in 1983. Gas, first discovered in large quantities in the 1950s, has been a mainstay of Government revenue for many years now, and last year provided almost 15 per cent of Government spending.

But Mr Herman Ruding, the Financial Minister, told parliament last month during the presentation of his latest, swingeing budget, that gas revenue this year was set to drop Fl 1.75bn below the total forecast last September. By 1986, he added, the gas income could fall further still, adrift by Fl 6bn on September's official forecasts.

There have been many economic blows to state planning in the last few years. The deterioration in the position of gas remains, however, the single most intractable problem, because the gap it leaves is proving the hardest to fill.

Sales of Dutch gas have fallen for the simple reason that purchasing countries – principally West Germany, Belgium and Italy – have embarked on major energy saving programmes.

Oil prices, have of course, also fallen sharply, making oil that much more competitive and, in the longer term perhaps, putting pressure on the prices charged for gas. The warm summer of 1982 did not help either, but even if this summer should prove cool and wet, further decline is expected.

In the longer run, Holland's gas reserves (which the Dutch believe will last for the next 55 years at projected rates of extraction) remain a strategic asset of great value.

Indeed, the Dutch are even importing small quantities of gas themselves in order to hold on to their major reserves. Yet the loss of income resulting from the present world recession and conservation measures adopted by clients leaves the Government to wonder whether it might not be better to raise revenue from gas now rather than leave reserves in the ground for posterity.

The Government has recently reversed previous depletion policy by trying to extend existing contracts as they come up for renewal.

This said, it must be admitted that any country which in time of recession can look forward to a balance of payments surplus of Fl 10bn cannot be all bad. The problem here is that the surplus, as recently as last November, was forecast to reach Fl 19bn.

Lest there be any residual optimism on the payments front Mr Duisenberg remarked last week that present surpluses were a symptom of weakness rather than of strength, being derived from the depressed level of imports – of investment goods in particular – and not from any vigorous pick-up in exports.

THE NETHERLANDS' ECONOMY

Year	Balance of Payments in Fl (m)	Gen Govt Borrowing Requirement % of net nat'l income †	Gen Govt Gas Revenue % of net nat'l income	Social Sec Benefits % of net nat'l income	Net National Income* in Fl (m)
1979	1,381	− 5.3	3.5	22.6	256510
1980	−5,583	− 7.2	4.6	23.4	270410
1981	7,704	− 8.5	6.1	24.1	280558
1982	9,600	−10.7	6.5	24.8	295419**

† Cash basis. * At factor cost. ** Estimate. Source: OECD and Dutch Government

The 1982 surplus was around Fl 9.6bn on revised figures. A strong guilder, Dutch officials say, was more than offset by the stability in competitiveness brought on by improved productivity. The latter, aided partly by job losses and partly by genuine improvements in working practices has continued high. The guilder, though, is currently undergoing pressure following the recent adjustment of the European Monetary System.

When the EMS was realigned to assist the rescue of the French franc, the D-Mark moved up 5.5 per cent. The guilder, which is normally shifted up or down in parallel, rose by only 3.5 per cent. Ignoring the advice of the central bank, the Finance Ministry appeared to hope that by revaluing at this reduced figure, Dutch exporters into Germany would gain a much-needed competitive edge.

The result, in any case, has been that the D-Mark and the guilder have both languished at the foot of the EMS table, adding to upwards pressure on interest rates.

Rates in Holland have been creeping upwards in the last month, and the Government, while decrying the trend, did not help by posting an 8 per cent state loan in April. The loan incidentally, still raised only Fl 1.2bn – compared with Fl 5bn for a bond in January – an indication, analysts say, that investors are hoping for even more in the summer.

The Government's response to the fall in gas sales and the increase in the projected budget deficit has been, not surprisingly, to cut back on spending by some Fl 15bn. This approach, though, means that the Dutch welfare state, constructed over two decades with loving care, is being dismantled piecemeal. Benefits overall are being cut by 2 per cent and some payments disappear altogether. A number of hospitals are to be closed and some 8,000 teachers are due to lose their jobs.

This is not what the Dutch population understands by progress, and Mr Lubbers is finding it tough going persuading his people that austerity is good for them and better some pain today than paralysis later.

In particular, the Government is coming under attack inside and outside parliament for presiding over the rapid growth in unemployment. It is admitted officially that the number without jobs will rise this year to be at least 900,000 and it is further admitted that the Government's only solution to the problem, apart from getting the economy back on its feet, is to share existing jobs around.

Job sharing is an old concept and one which has been kicked around the Netherlands for many years. Now, though, both trade unions and Government see it as a way out of at least part of their problems. This year, to the end of April, nearly 1.25m Dutch workers have agreed to forego indexed pay rises in return for a four-hour reduction in their working week.

The effective pay cuts are immediate, and likely to be followed by others as the automatic nature of the wage-price index withers. The cut in hours starts, in most cases, in January 1985. The idea is that a 5 per cent cut in hours will give employers the scope to take on extra staff when the economy improves without having to add to their 1983 wage bill. How effective this strategy will prove, it is impossible to say. What is clear is that the Dutch are taking the idea seriously and are slowly gearing up for the coming age of leisure.

Disputes within the governing coalition over the extent of cuts needed to hold down the budget deficit have already been bitter. At one point, Mr Ed Nijpels, the Liberal leader, even threatened to withdraw his support from the Cabinet if it did not bring in a further Fl 2bn-worth of savings (it did). But such disagreements, enervating though they are, will prove as nothing to the convulsions expected over nuclear weapons.

The Christian Democrats are extremely unhappy about the Netherlands' commitment to accept 48 U.S. cruise missiles – a commitment which arises from the 1979 Nato pact on the need to counter the build-up of Soviet SS-20 missiles.

Mr Lubbers has repeatedly made clear that he will only honour the bargain if the current arms reduction task in Geneva are seen manifestly to fail. Even then, according to Mr Joseph Luns, the Dutch Secretary General of Nato, the Netherlands' guarantee is unconvincing.

The Liberals, on the other hand, are almost lyrical in their support for cruise, and if the Dutch peace movement, as looks likely, gathers momentum this year, the coalition could be placed under the kind of internal strain that it would find increasingly difficult to survive.

For the economy, surviving the 1980s in good shape could be just as difficult. The 1960s, with their optimism and, more importantly, their high revenues from gas, are gone for good. The trick now is to rebuild growth on a surer foundation.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Al Baraka International	10 %	Heritable & Gen. Trust	10 %
Allied Irish Bank	10 %	■ Hill Samuel	§10 %
Amro Bank	10 %	C. Hoare & Co.	†10 %
Henry Ansbacher	10 %	Hongkong & Shanghai	10 %
Arbuthnot Latham	10 %	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	10 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10 %	Lloyds Bank	10 %
Banco de Bilbao	10 %	Mallinhall Limited	10 %
Bank Hapoalim BM	10 %	Edward Manson & Co.	11 %
BCCI	10 %	Midland Bank	10 %
Bank of Ireland	10 %	■ Morgan Grenfell	10 %
Bank Leumi (UK) plc	10 %	National Bk. of Kuwait	10 %
Bank of Cyprus	10 %	National Girobank	10 %
Bank of Scotland	10 %	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10 %	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	United Mizrahi Bank	10 %
■ Charterhouse Japhet	10 %	Volkskas Intnl. Ltd.	10 %
Choulartons	11 %	Westpac Banking Corp.	10 %
Citibank Savings	¶10 %	Whiteaway Laidlaw	10½%
Clydesdale Bank	10 %	Williams & Glyn's	10 %
C. E. Coates	10½%	Wintrust Secs. Ltd.	10 %
Comm. Bk of N. East	10 %	Yorkshire Bank	10 %
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
Robert Fraser	10½%		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

SWITZERLAND SURVEY

The Financial Times wishes to apologise to its readers and to the advertisers within the Switzerland Survey for moving the survey from today's issue to Monday 6th June issue

BIDS AND DEALS

Virani buys 11.5% stake in Belhaven as investment

BY DAVID DODWELL

Mr Nazmu Virani, chairman of the family-owned Virani Group UK, has bought a 11.5 per cent stake in Mr Eric Morley's Belhaven Brewery Group, and has been invited to join the board.

Mr Virani, who with two brothers runs his hotels and property group, said yesterday that he regarded the stake as an investment. He said he would assess the entire group, and then decide whether to make fresh purchases. He will decide whether or not to accept the invitation to join the Belhaven board "in the next 48 hours."

News of the acquisition coincided with release of Belhaven's figures for the year ending in March 1983. Pre-tax profits rallied to £183,000 from a meagre £4,000 in 1981-82, though they still have a long way to go to reach the previous year's profits of £599,000.

The profits were generated on sales of £11.65m, up from £10.98m in the previous year.

The latest figures reveal the extent of the shoring-up operation that has been taking place at Belhaven over the past year. Profits at the Dean's holiday village in Norfolk slumped from £109,000 to £11,000, with the company openly committed to sale of the village. The nearby Golden Sands holiday village was sold earlier this year, after losses of £95,000.

Tour operations, now drastically curtailed, incurred losses of £71,000.

The group's hotel in Torremolinos has rallied after reorganisation from a loss last time of £27,000 to a profit of £102,000. Three offers are currently on the table for this hotel, and despite the return to profits, Belhaven is actively considering sale.

Ashpoint, the group's beleaguered plastic packaging operation, lost £63,000, compared with profits disclosed last year of £98,000. This operation is also up for sale, Mr Morley said yesterday.

The group's brewing operations—still its main activity—showed strong growth, in volume of sales as well as higher earnings. Profits rose to £402,000 from £346,000. Belhaven's construction subsidiary also improved, from £91,000 to £100,000.

The group carried an extraordinary debt of £1.85m, a figure mainly comprising the writing off of goodwill for the ailing Ashpoint factory. This is intended to improve the prospects of selling the subsidiary, Mr Morley said.

Miss World Group, sold to Mr Morley and his wife last year, showed profits of £95,000—up from £54,000 a year ago.

The entry of Mr Virani into the group—he bought his shares outside the market from retiring director Mr John Berkley—has some business foundations. Virani Group in March bought eight of the British Rail hotels that were up for auction.

Excited by the developments at Belhaven, the company's shares leapt 8p to end the day at 32p.

Shell Australia sells its Windarra nickel holding

BY DAVID DODWELL

Shell Australia, a subsidiary of Royal Dutch Shell, has sold its 50 per cent stake in the Windarra nickel operations to Western Mining Corporation in a deal comprising A$5m (£2.8m) and a 15 year royalty package.

Shell bought its stake in November 1976 for an undisclosed sum, thought to be about £19m. From a peak production of 13,000 tons a year in the middle 1970s, Windarra was closed down in 1979. It was reopened by Western Mining about a year ago.

Windarra has had a checkered history. Following the nickel boom in the late 1960s following the Poseidon nickel find, Western Mining bought a 50 per cent stake in Windarra late in 1972 in partnership with Poseidon. It had previously been involved mainly in Kalgoorlie. Windarra started operations in 1974.

Shell moved in when Poseidon collapsed in October 1976. From its giddy heights, with a share price peaking at £124 in 1972, Poseidon had withered to £1.55 a share by the time of suspension.

It was not known yesterday why Shell had chosen to sell its Windarra interests. It is to be paid A$500,000 a year for the next 10 years. Western Mining will also pay Shell a royalty "related to nickel and gold produced for a period of up to 15 years." This is likely to be substantial, but was not disclosed.

The world nickel market remains depressed, and this has had adverse effects on Western Mining's performance in the past year.

In the six months to January 4, 1983, the group reported a net loss of A$3.39m, compared with profits of A$6.52m in the previous year.

Reuters studies its structure

BY CHARLES BATCHELOR

Reuters, the international news agency turned electronic business information group, has begun a study of its future financial structure and ways of financing further growth.

This does not mean, however, that the possibility of the company seeking a public listing was one of the options considered, it said in an effort to dampen renewed speculation that it would come to the Stock Market.

Reuters yesterday published the text of an internal staff notice, signed by Mr Glen Renfrew, managing director, which was circulated after a meeting of the company's board in New York last week.

"The board reaffirmed its commitment to the basic principle of the Reuter trust agreement that control of Reuters shall at no time pass into the hands of any one interest, group or faction and that its integrity, independence and freedom from bias shall at all times be fully preserved," Mr Renfrew said.

The Press Association, the British domestic news agency which represents the interests of the provincial press through its 41 per cent holding in Reuters, said its board had not considered the question of a public flotation of Reuters.

Steetley Australian sale

Steetley, the chemical distribution, mineral extraction and construction materials group, has through its Australian subsidiary, sold Escon Polyester Resin to Hatrick Chemicals for A$1.4m.

The deal, which has been approved by the Australian Government, forms part of Steetley's strategy of reducing its involvement in chemicals manufacturing.

Late last year, the group sold its other chemicals operations in Australia to Harrisons & Crosfield for £13m.

In the UK, the group sold its Stratford basic chemicals and acid plant to RTZ for £2.25m early this year. In 1982, it closed its rare earths plant at Widnes. Its only remaining chemical manufacturing operations are at Baynards in Surrey, where it continues to make some bromine chemicals.

SAFEWAY/KEY MARKET

Speculation was mounting last night that Safeway Food Stores was poised to raise its bid for the Key Markets supermarket chain to over £44m. Safeway opened the bidding for the Key Markets chain, part of Fitch Lovell, at £34.8m.

But the group's last offer of £37.8m was topped by an increased offer by Linfood Holdings of £40.8m which has the backing of Fitch Lovell directors.

HANSON/UDS

Acceptances of the Hanson Trust offer to UDS Group were received in respect of 83.41 per cent of deferred stock units and 83.46 per cent of the ordinary shares.

SHARE STAKES

Williams Holdings—Mr J. Soussan has notified further purchases of shares, bringing his holding to 257,603 ordinary (7.57 per cent).

Stag Furniture Holdings—Mr M. A. Pell and Mr D. W. Jacobson no longer have a joint interest in 5 per cent or more in the ordinary share capital (former interest 502,108 ordinary 6.5 per cent).

Bejam Group—J. D. Althrop, chairman, has sold 150,000 ordinary shares; A. W. Perry, director, has sold 10,000 ordinary.

CH Industrials—Immoomundus AG has acquired a further 75,000 ordinary shares increasing holding to 1,445,000 shares.

Hammerson Property Investment and Development Crpn—S. Mason and R. A. C. Mordant, in respect of their non-beneficial interests as trustees, jointly with others sold 150 ordinary shares and advanced to the beneficiaries under the trust 150,587 ordinary; also S. Mason sold 17,000 "A" ordinary shares.

Harold Ingram—J. M. Peutherer has sold 62,500 shares and has therefore reduced his holdings to below 5 per cent.

Micro Business Systems—W. S. C. Richards, director, sold 150,000 ordinary shares; M. J. Brooke, director, has sold 100,000 ordinary.

McCarthy and Stone—J. S. McCarthy, director, has disposed of 639,184 ordinary shares.

Hestair—Grovewood Securities is the beneficial owner of 1,413,768 ordinary shares.

RESULTS AND ACCOUNTS IN BRIEF

MONKS INVESTMENT TRUST—Gross investment income for year to April 30, 1983, was £3.93m (£3.69m); pre-tax profit £2.85m (£2.72m); tax £1.11m (£1.03m); earnings per 25p share 2.24p (2.18p); final dividend 1.3p, making 2.4p (same) total. Trust proposes to retain the high overseas content of its portfolio.

NORTHERN AMERICAN TRUST—Interim dividend 1.4p (same) net for half year to April 30, 1983. Revenue after charges and tax £835,787 (£865,233). Net asset value per 25p share 272.5p (181.3p).

CHANNEL TUNNEL INVESTMENTS—No dividend (same) for year 1982. *Income from listed investments £10,115* (£15,997), interest receivable £184 (£499), administration expenses £11,282 (£10,010). Pre-tax loss £983 (profit £6,486). Tax credit £393 (debit £2,593). Loss per 5p share 0.04p (earnings) 0.28p.

WETTERN BROTHERS (construction materials)—No dividend (same) for 1982 year. Turnover £6.67m (£9.83m). Group trading profit £83,000 (£15,000), pre-tax profit £28,000 (£181,000 loss), after interest charge £55,000 (£196,000). Tax credit £5,000 (£20,000), extraordinary debit £30,000 (£155,000). Stated earnings per 25p share 1.8p (9.7p loss). Closure of loss-making elements has continued.

JERSEY GENERAL INVESTMENT TRUST—Final dividend 6.25p (same) gross, making 11p (10.75p) for year to April 30, 1983. Profit for period £1.05m (£1.03m). Net asset value per £1 share 238p (192p).

NATIONAL ELECTRIC CONSTRUCTION *(a member of the BET Group)*—Pre-tax profits for year ended March 31, 1983 were £684,306 (£613,024); tax £219,846 (£186,284); earnings per 50p share 40.09p (36.79p); final dividend 25.5p, making 38p (35p) total, retained £23,235 (£19,815). Net asset value per share £968p (807p).

ISLE OF MAN ENTERPRISES (holiday operator)—Pre-tax loss for six months to April 30, 1983, £52,026 (£47,757) after interest charges of £12,780 (£12,987) and depreciation £25,882 (£25,833). Turnover and other income £44,486 (£48,281). No tax (same). Loss per 20p share 4.29p (3.94p). Board says the results cannot be taken as a guide for the year as a whole due to the seasonal nature of most of the company's business.

M & G SECOND DUAL TRUST—Final dividend 3.7p, making 8.05p (7.88p) for year to May 31 1983. Pre-tax revenue £1.15m (£1.13m), tax £345,000 (£338,000). Asset value per share as at May 25 1983 106.4p (73.15p).

MARLER ESTATES (property investment and development)—Interim dividend nil (same) for six months ended September 29 1982—consideration of final payment (2p net) depends on *full year figures. Sale proceeds of* property held for resale in first half totalled £510,000 (£17,000), rents received £89,000 (£58,000) and hotel receipts £204,000 (£148,000). Pre-tax loss £110,000 (£18,000), including trading from properties held for resale £111,000 (£2,000), income from completed properties £33,000 (£17,000) and interest received £16,000 (£25,000). Deductions included hotel trading loss £4,000 (£82,000) and interest charges £307,000 (£4,000). Deficit per 26p share 2.88p (0.52p).

JACKSON GROUP (construction and industrial services)—Turnover £23.37m (£17.7m) for 1982 year. Pre-tax profit £1.03m (£345,241). Profit after tax and minority items £669,338 (£221,311). Assets per 10p share 223p (196p) and earnings per share 38.3p (22.5p). Dividend 6.3p (5.25p) net. Order intake so far has created opportunity for further all round progress in 1983. Company's shares are traded on market made by Granville and Co.

LONDON ENTERTAINMENTS (theatre production and management)—Profit for half year ended February 28 1983 was £84,409 (£85,167) subject to tax £26,844 (£12,395).

PHILIP HILL INVESTMENT TRUST—*Final dividend 5.5p (4.95p), making* 7.5p (6.95p) net per 25p share for year to March 31 1983. Gross revenue for period £12.45m (£12.14m). Net revenue £7.46m (£7.2m) after tax of £4.02m (£4.09m). Stated earnings per share 7.67p (7.4p). Net asset value per share 239.8p (178.4p).

LONDON SUMATRA PLANTATIONS (98 per cent owned by Harrisons & Crosfield)—Turnover for 1982 was £22.49m (£21.82m) and pre-tax profits £5.27m (£6.68m). Investment income £1.17m (£1.03m). Tax £1.53m (same); extraordinary debit nil (£73,000); earnings per 10p share 23.45p (35.57p); final dividend 5p making net total 8p (same) costing £1.28m (same).

SCOTTISH INVESTMENT TRUST—Interim dividend 1.7p net (same). For half year April 30 1983 gross investment income £4.36m (£3.62m) of which franked £1.49m (£1.7m) Gross interest £1.05m (£234,000), expenses £306,000 (£258,000) and tax £1.23m (£1.26m), leaving net revenue £1.77m (£1.88m). Net asset value per ordinary unit after prior charges at par 258.9p (205.6p at October 31 1982). Directors report dollar borrowings by line of credit increased by [illegible] and a yen loan of £3m was repaid. UK equities reduced by £13m and £6m added to U.S. *equities, £12m to Far East equities* mainly in Japan, and £6m to bonds. Substantially reduced exposure to sterling and increased exposure to the yen—Yen assets amount to £48m. Unquoted investments £13.5m or 5.5 per cent of total assets.

DELYN PACKAGING—Dividend 1.5p (1p) net for year to January 30 1983. Turnover £3.63m (£5.11m) and pre-tax profits £250,000 (£157,000). Operating profits £305,000 (£274,000); interest payable £55,000 (£117,000); tax credit £4,000 (£2,000 charge); extraordinary credit £833,000 (£407,000) arising from revaluation of buildings following reconstruction after the snow damage of *January 1982. Earnings per 20p share* 12.7872p (7.8048p).

JANTAR (mining and trader in metals and minerals)—Dividend 1.5p (same) net for year 1982. Operating surplus £184,020 (£285,537). Tax £59,186 (£96,383). Available surplus £124,834 (£189,154). Earnings per 12½p share *2.65p (7.52p). Prospects for current* year are "reasonable" and results should not be very different from 1982's.

ROWE EVANS INVESTMENTS (plantations)—Results for nine months ended December 31 1982: Dividends 0.6p (0.25p for previous 12 months); turnover £463,000 (nil); pre-tax profits £557,000 (£161,000); tax £205,000 (£21,000); earnings per share 1.82p (2.92p).

TRANSPORT DEVELOPMENT AUSTRALIA—Results for nine months ended March 31 1982: Turnover A$24.44m (A$17.27m) for six months. Pre-tax profits $1.62m ($1.83m). Earnings per share 0.72 cents (3.09 cents). Current profits are below last year but are showing an improving trend.

RICHARDS (High technology yarn spinning)—Interim 0.3p (same—total 0.6p). Turnover for six months ended March 31 1983 £4,529,000 (£4,287,000). Loss £114,000 (£141,000), before tax credit £59,000 (£54,000). Loss per share 0.39p (0.7p). Chairman reports a marked improvement in trading, with increased demand for all products, and a return to modest profitability.

APPOINTMENTS

National & Provincial chief

NATIONAL & PROVINCIAL BUILDING SOCIETY has appointed Mr Alan J. Kerry chairman and Lord Shuttleworth as deputy chairman. Both have been vice chairmen. Mr Kerry joined the board in August 1962 and became deputy chairman in April 1981. He is a senior partner with Ford and Warren solicitors of Leeds, and an immediate past president of Leeds Law Society. Lord Shuttleworth joined the board in 1978 and is a chartered surveyor with Burton, Barnes and Vigers of Preston. They replace Mr Dennis Howroyd, chairman, and Mr Jack Butterworth, deputy chairman, who were the architects of the merger of the Burnley and Provincial Building Societies. Mr Howroyd and Mr Butterworth will remain board members.

★

BURROUGHS MACHINES has appointed Major General William Allen as director of training at the company's new residential training college at Milton Keynes. The £10m college is in the final stages of construction and will open in early 1984. It will provide training facilities for 350. General Allen is currently director general of army transport and movement. Previous appointments include that of assistant commandant at the Royal Military Academy, Sandhurst.

★

Mr Leslie Hodge has been appointed sales director of J. R. PHILLIPS & CO, responsible for J. R. Phillips and William Grant in the UK, including Cognac Courvoisier, Cointreau, Grant's Whisky and Glenfiddich. He was UK sales director of William Grant.

★

Mr Roy T. Ashwell, sales director of G. D. Mountfield, has been elected chairman of the BRITISH LAWNMOWER MANUFACTURERS' FEDERATION.

★

Mr Roger Blackman, managing director, Surgical Equipment Supplies, has been re-appointed president of the ASSOCIATION OF BRITISH STERILIZER MANUFACTURERS.

★

Mr Stephen Davies, director of Guildway, has been elected president of the BRITISH WOODWORKING FEDERATION.

★

Mr P. A. Kimberley has been appointed marketing director of the adhesives and sealants division of BURMAH SPECIALITY CHEMICALS. He succeeds Dr Brian Burrows who has taken up the new appointment of regional director (Europe). Mr Kimberley was business development manager at the Swindon head office where he is replaced by Mr C. R. Kirkland. Mr P. M. Jones has been made managing director of Industrial Adhesives.

★

THE MEAT AND LIVESTOCK COMMISSION has appointed Mr Jim Munday, executive director and secretary of the Tea Council, as its director of meat promotion. Mr Munday will take up his post on September 1, succeeding Mr Bill Marlow, director of the British food division of Food from Britain.

★

FERRO METAL AND CHEMICAL CORP. has created a trading division, Prince Agvet, which will be concerned with the company's veterinary and feed additive business. Mr Kenneth Young has been appointed managing director and he will be joined by Mr Adrian Brydson. The business will operate from offices in London and Congleton, Cheshire.

★

Following the appointment of Mr A. V. Dodman as managing director of the Readicut Group of Companies, FIRTH CARPETS has appointed Mr Mark Fielden as managing director. He was financial director, a post he has held since joining Firth in 1969. Mr Peter Bloom, chief accountant since 1976, has become financial director.

★

FRIENDS' PROVIDENT LIFE OFFICE has elected Mr William M. Hamilton a director and member of the board. He is the chairman of its Canadian subsidiary, Fidelity Life Assurance Co.

★

Mr H. W. Hipkiss has been appointed operations director of IMI MOULDINGS, of Hereford, a subsidiary of IMI. He was operations director of IMI Bailey Birkett. Mr P. Slater has been appointed finance and commercial director of IMI FLUID POWER INTERNATIONAL, which co-ordinates the activities of IMI Fluid Power companies worldwide. He joined IMI in 1964 at what was then Yorkshire Imperial Metals in Leeds.

★

Mr John Hannam and Mr Nicholas Bents have been appointed to the board of ROUSE WOODSTOCK, the UK commodity division of Mercantile House Holdings. Mr David Beaumont has been appointed to the board as financial director.

★

Mr Richard Staniland has been appointed a director of CLARKE ST MODWEN PROPERTIES, a member of the Midlands-based Clarke Group. Mr Staniland joined the Clarke Group in March 1978 from Costain Homes, as group solicitor, becoming group company secretary in August 1979. He will continue to be based at the group's headquarters at Barton Hall, Barton under Needwood, Staffordshire.

★

Mr Leslie Lidyard has retired as manager, central registry, of MULLENS AND CO after 37 years' service.

★

Mr Clive Marden has been appointed deputy chairman, flexibles of the UK and European flexibles and plastics division of MARDON PACKAGING INTERNATIONAL. He was also appointed to the boards of Smith Brothers (Whitehaven), Mardon Flexible Packaging, Mardon Wrappings and Superior Packaging. He will be appointed chairman of Celloglas on July 1. Mr Patrick Darley, assistant managing director, will succeed Mr Mardon as managing director of Celloglas on that date.

★

Following the death of Mr J. H. Boden, Mr P. A. C. Smith has been appointed non-executive chairman of METAL CLOSURES GROUP. He was deputy chairman.

★

Mr Phil Stapleton has been appointed vice-president and director of business development for NATIONAL ADVANCED SYSTEMS (EUROPE) CORP. He returns to London after spending two and a half years at National Advanced Systems' headquarters in Mountain View, California as director of strategic planning.

★

GRANDFIELD RORK COLLINS has appointed Mr Jeffrey Fergus managing director and chairman of its management committee from August 1.

★

KIRKLAND - WHITTAKER (CURRENCY DEPOSIT BROKERS) has appointed Mr David J. Watkins as director from June 1.

★

Three directors have been appointed by D. ANDERSON & SON of Manchester. Mr John Moore has become sales and marketing director, from his position as sales and marketing manager. Mr Bryan Holton has been appointed technical and development director. He was technical and development manager. Mr Hector Will, works manager, has become works director. D. Anderson and Son is a member of the BPB Industries Group.

UK COMPANY NEWS

Candecca in £10.8m expansion cash call

Candecca Resources, the USM-quoted oil and gas group, is calling on its shareholders for £10.8m by way of a one-for-three rights issue of 9,735,367 new shares at 115p each.

The bulk of the money will be used to finance the next stage of the group's UK oil and gas onshore exploration programme, in which it expects to participate in at least 30 wells to be drilled in the next two years. Candecca is one of the largest onshore acreage holders in the UK, with a licensing area of more than 3m acres.

The balance of the funds, amounting to not less than a quarter of the total, will be used to discharge Candecca's borrowings from Sceptre Resources, the biggest shareholder, which had agreed to fund Candecca's working capital requirements until June 30 1983.

Sceptre, a Canadian exploration group, unexpectedly increased its holding in Candecca last December from 39 to 41 per cent and replaced its British managing director, Mr David Hooker, with its own nominee, Mr Peter Carter.

After the issue, Sceptre will hold just over 36 per cent, as it has undertaken not to take up all of its rights.

The balance of the rights issue is being underwritten by Kleinwort, Benson and the brokers are Panmure Gordon and Fielding, Newson-Smith. Dealings in the new shares are to begin on June 16.

Candecca's last rights issue was in June 1980, when it called for £5.8m to fund onshore exploration.

Candecca also announced yesterday that its Humbly Grove oil field near Basingstoke could be on stream by October next year, providing 4,000 barrels a day. It estimated that the field contains 63m barrels of proven and probable reserves, with possibly another 15m.

The group said losses for the year to March 31 would be £684,000 before tax, compared with a profit of £115,000 in the previous year. Interest received would be lower at £65,000, against £386,000, while oil sales are forecast at £75,000, down from £119,000.

The results also included £114,000 extraordinary loss from a write-down in the value of Pennine Resources, its U.S. prospecting associate company. This brings the group's net assets to £17.5m.

Following the announcement, Candecca's shares slipped 10p to 140p, capitalising the group at £54m.

Abingworth plans offer for sale to raise £11.32m

BY DOMINIC LAWSON

Abingworth, the venture capital investment company, is coming to the Stock Market for a full listing. The company is offering for sale 4m shares at £3 each to raise £11.32m after expenses.

At the offer price Abingworth will be capitalised at £60.8m, making it the largest company to go public in the UK since Superdrug in February. Abingworth currently has a portfolio of about 60 investments, worth about £48.4m.

Abingworth was founded in 1973 by two former directors of Joseph Sebag, Mr Anthony Montagu and Mr Peter Dicks. It specialises in investment in fast-growing companies, principally in the high technology area.

The investments take the form of minority shareholdings, chiefly in private companies. The group also invests in special situations in non-technical businesses. By value, about 85 per cent of Abingworth's investments are in the U.S., and almost all the remainder in the UK.

Investments have been made in a wide range of industries including electronics, computers, telecommunications, biotechnology, medical products and natural resources. The group's objective is to generate capital growth.

Net asset value per share—the crucial determinant of an investment trust's performance—has grown from 28.09p per share at December 31 1974 to 307.44p per share on May 17 1983.

The aggregate value of Abingworth's three largest holdings in Apple Computer, Standard Microsystems, and Digital Communications Associates, amounted to £26.14m representing 42.6 per cent of total net assets.

Abingworth intends to qualify as an investment trust, for tax purposes, and will therefore distribute substantially all of its net income as dividends to shareholders, but these will be small and will fluctuate from year to year.

In order to give shareholders the possibility of realising the value of their investments (in addition to that provided by the listing itself) the directors will propose a resolution for the liquidation of the company at the 1991 AGM and at every fifth AGM therafter.

Application lists open at 10 am on Thursday June 2, and dealings should begin on June 7. The issue has been underwritten by Cazenove and Co.

● comment

At first blush it may look ambitious of Amingworth to offer its shares at net asset value. But unlike many investment trusts, Abingworth is putting its money in ventures which the private investor could hardly hope to approach. In fact the most comparable UK quoted company, Newmarket (1981) currently enjoys a share price comfortably higher than its net asset value, although Newmarket is admittedly even higher tech than Abingworth. Additionally, Abingworth's past record of capital appreciation is outstanding, helped in particular by a near 200 fold return on its initial investment in Apple. And on the downside, it is no mean achievement to have invested in only one "turkey" in 10 years.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Gomme, William Leech, Moran Tea, North British Steel, Pict Petroleum.

Finals: J. Billam, Edbro, Helical Bar, Hicking Pentecost, Macdonald Martin Distilleries, Nineteen Twenty-Eight Investment Trust, TR Industrial and General Trust.

FUTURE DATES

Interims—	
Fleming American Invest. Tst.	June 1
Hanson Trust	June 14
Westland	June 8
Finals—	
Audiotronic	May 31
Beales (John)	June 9
Castings	June 3
Energy Services & Electronics	June 1
LCP	June 8
Pegler-Hattersley	June 8
Reed International	June 7
Samuel (H.)	June 1
Scott and Robertson	June 6
Tesco	June 15

Renishaw coming to the USM

Renishaw, a company which designs, develops and manufactures its own range of high-technology precision measuring equipment, is coming to the Unlisted Securities Market by way of an offer for sale by tender of 2.8m shares at a minimum price of 80p per share.

At that price, Renishaw would be capitalised at £22.4m. The company is forecasting pre-tax profits of £1.65m in the year to June 30, on turnover of £6.35m. Mr David McMurtry, chairman, said: "We're brutal on margins."

Last year Renishaw made £636,000, a decline from 1981's figure of £1m. The company says that the decline reflects the expenditure in 1982 of about £½m in order to establish a strong base in the computer numerically controlled machine tool market."

Renishaw's business is essentially the science of measurement. Its particular expertise lies in the design and manufacture of touch trigger probes which can provide almost instantaneous three dimensional measurement of a given object. Renishaw probes can measure to an accuracy of one third of a micron—approximately one two-hundreth of the thickness of a human hair.

Since 1974 a very high proportion of Renishaw's products have been exported. Last year represented over 80 per cent of total sales.

Over 50 per cent of products sold were exported to the U.S. and Japan. The U.S. machine tool manufacturer Brown and Sharpe has a 20 per cent stake in Renishaw.

Only 10 per cent of the company's equity is being made available to the public in the offer. These represent shares sold by the directors. Following the offer Mr McMurfry, and managing director John Deer, will hold 70 per cent of the equity. No money is being raised by the issue.

Renishaw has always been a supplier to Rolls-Royce, and the founders, Mr McMurtry and Mr Deer are both ex-Rolls-Royce employees. The company's existing product base is founded on a number of patents owned jointly with RR, which receives royalties on Renishaw sales in respect of them.

The p/e ratio on forecast earnings, and at the minimum tender price is 28.3 on a notional 52 per cent tax charge. The gross dividend yield on the basis of the indicated dividend, also at the minimum tender price, is 2 per cent.

The application list will open at 10 am on June 2, and dealings are expected to begin on June 7.

Brokers to the issue are Rowe and Pitman, and the offer is being handled by Lloyds Bank International. This represents a first foray into the USM by both Rowe and Lloyds.

● comment

Renishaw supplies its talents to manufacturing industry, which makes its recent achievements, against the background of a world recession, all the more remarkable. In particular it seems to have beaten its would-be rivals in Japan into the ground, even before its patents have been recognised in that country. Renishaw is determined to add to its technological lead, to the extent of devoting about 15 per cent of turnover to R and D. The advantage of that lead is clearly visible in margins, which look to be about 26 per cent at the pre-tax level this year. The prospective PE of over 28 should be seen against the performance of Renishaw over the past five months. On the basis of that level of profitability, Renishaw would make £2.4m pre-tax next year bringing the multiple down to about 20. The directors' insistence on retaining the maximum amount of equity, has not just ruled out the natural full listing, but also ensures that the secondary market in the shares will be totally inadequate. So investors who really want a piece of the action should weigh in with an offer of not less than 130p per share.

Pyke Hldgs. £1.2m rights

REPORTING pre-tax profits of £277,162 for the six months to March 31 1983 Pyke Holdings, the catering butcher, is launching a one-for-two rights issue to raise nearly £1.2m after expenses.

Proceeds of the issue will be used to repay a bank loan of £437,000 and reduce the overdraft. Also the company is negotiating the purchase of the head lease on its Maidenhead premises and planning to upgrade and expand production facilities. The total cost of these capital items is put in the region of £400,000.

The directors and other shareholders will be taking up their rights amounting to 57.52 per cent of the issue. The balance is being underwritten by brokers Laurie Milbank. In the market Pyke's shares were up 1p at 135p.

No profit forecast is being made for the full year but the directors say that trading so far has continued at a similar level to that of the half year.

An interim dividend of 1.5p is declared and a final of not less than a further 1.5p is forecast. In the 15-month period dividends totalled 2.5p.

Portsmouth News.

IN THE 53 weeks ended April 2 1983 Portsmouth and Sunderland Newspapers increased its net earnings from 15.2p to 22.5p before extraordinary items, and is raising the dividend by 0.25p to 3.75p net, the final being 2.75p.

Group turnover grew by £4m to £30.54m and the profit before tax rose from £3.14m to £3.33m. Tax takes £625,000 (£1.31m) and has been reduced by £1.08m being the effect of accelerated capital allowances and stock relief for which no provision is required. The low charge for the year results from the substantial allowances on the new development at Portsmouth.

There are extraordinary charges of £44,000 (£176,000).

BANK RETURN

	Wednesday May 25 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	41,312,466	+ 753,905
Bankers Deposits	517,665,491	+ 45,796,713
Reserve and other Accounts	1,997,980,703	— 22,746,953
	2,571,511,660	— 67,789,761
Assets		
Government Securities	316,539,198	— 91,339,782
Advances & other Accounts	1,284,886,984	+ 20,563,970
Premises Equipment & other Secs.	960,781,584	+ 2,167,991
Notes	9,139,137	+ 814,794
Coin	164,758	+ 3,206
	2,571,511,660	— 67,789,761
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,360,000,000	+ 210,000,000
In Circulation	11,350,860,863	+ 209,185,206
In Banking Department	9,139,137	+ 814,794
Assets		
Government Debt	11,015,100	—
Other Government Securities	4,151,192,745	— 75,468,205
Other Securities	7,197,792,155	+ 285,468,205
	11,360,000,000	+ 210,000,000

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Equity & Law Un. Tr. M. (a) (b) (c)

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485
Disc Inc May 20 ... 318.6 339.7xd ... 4.28
For Denlar see Oppenheimer Fund Management

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3V 3LS 01-638 2020
Continued above Mon-Fri and Stock Exchange Dealing Page Sat.

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Equity & Law Un Tst Mngs (a) (b) (c)
Amersham Rd. High Wycombe. 0494 33377
Euro Tst Acc 55.3 59.4 −0.7 1.56

Robert Fleming & Co Ltd
8 Crosby Square. EC3A 6AN. 01-283 2400
AmExFd* £255 56 261.20 ... 0 67
JpExFd* £133 37 137 65 ... 1.30
Next subscription day June 1 1983.
*Fleming American Property Unit Trust.
Latest issue price (15 5) US$10.519.
Units are issued on Feb 15 May Aug. Nov.
*Fleming Property Unit Trust.
Latest issue price (25 3) £2 067.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mgrs Ltd (a)
Royal Exchange EC3V 3LS. 01-638 2020
(b)GRLGtFi 115 1 119 6 +0 5 9.65
(b)GRLNAmT 94 2 101.3 +0 1 2.47
(g)GRLPacTst 94 2 101 3 +0.4 1.23
(b)G'dhll Tst 95.9 103 2 +0 4 1 51
*(G)REsmCo 179 6 186.1 +3.0 3.30

Hexagon Services Ltd
4 Gt St Helens. London EC4P 3EP 0708 45322
AustFrsGw 108.0 113.7 .... 2.02

Brewin Cap 74.9 78.9 .... 1.29
Brewin GtInc 70 2 73.9 .... 3.63
CanGwthFd 98.6 103.9 .... 1.09

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq. Edinbgh 2. 031-225 6001
Aust & Pac 7.8 8.3 .... 0.69
High Yield‡ 19.0 20 5 .... 10.00
Do Accum‡ 19.7 21.2 .... 10.00
*Dealing Thurs. ‡ Dealing Fri.

MGM Unit Managers Ltd
MGM House. Heene Road. Worthing. 01-623 8211
High Inc 122.1 131.3 +1.3 6.42
(Accum Uts) 123 8 133.1 +1.3 6.42
UK Growth 114 1 122.7 +0.7 3 58
Accum Uts 114 4 122.9 +0.6 3.58

MLA Unit Trust Management Ltd
Old Queen Street SW1A 9JG. 01-222 8578
MLA Units 170 9 179 4 .... 2.98
MLA Int 25 0 26.2 .... 1.00

The Money Market Trust
63 Qn Victoria St. EC4N 4ST. 01-237 0952
Call Fund — — 10.13
7 Day Fund — — 10.06
+Unauthorised—Sterling Deposit Fund.

Offshore and Overseas—continued

Actibonds Investment Fund SA
37. rue Notre Dame. Luxembrg. Tel. 47971
Actibonds In — $19 85 . —

Bemiord Brandt Guernsey Mngt Ltd
PO Box 71 St Peter Port Guernsey 0481 26541
Tech & Comms — £10.00 .. —

CAL Investments (IoM) Ltd
18 St Georges St Douglas IoM. 0624 25031
CALLM&C 0 939 0 988 . . —
CALMetals 0 934 0 973 . —
Dealing days every Monday.

CAL Investments (Bermuda) Limited
PO Box 1022. Hamilton, Bermuda. (809-29) 5-5950
CAL CTR Fd 0 94 1 00 —
Dealing days every Monday.

Commodity Advisory Svcs (IoM) Ltd
48 Athol St Douglas IoM. 0624-20843
Com&FFd(Acc) 102 78 107 06 —
Com&FFd(Dist) 102.78 107 06 —
Next dealing date June 6

DunVest Ltd
PO Box 887 Grand Cayman
NAV May 1 $126 00 .... —

Framlington Overseas Fund Mngt Ltd
PO Box 71. St Peter Port. Guernsey. 0481 26541
O'seas&Gth 46 3 49.9 .... —

Management International Ltd.
Bk of Bermuda Bldg: Bermuda 809-295-4000
Bda InBFC $16 01 16.18 .... —
Bda IBFInc $11.53 11.56 .... —
Bda Intl Eq Fd — — .... —
Prices on May 20 Next dealing May 27.

Manufacturers Hanover Geofunds
PO Box 92. St Peter Port. Guernsey 0481 23961
LA Inc $105 25 105 48 .... —
LA Acc$ $121.19 121.45 .... —
MIT Inc $118.96 119 56 .... —
MIT Acc$ $131.18 131 85 .... —

Marine Midland (CI) Ltd
140 B'way. NY 10015. USA 212-440-1000
Queens Hse Don Rd. St Helier. 0534 71460
Intcurcy $1 00 0 — —
Initial offer. Next sub day June 16.

Nat. Westminster Jersey Fd Mgrs. Ltd
23 25 Broad St.. St Helier. Jersey. 0534 70041
County Bank Currency Fund Ltd (z)
Dollar class $20.00 .. —
Sterling class £10.00 .... —
D'mark class DM50.00 .... —
Dtch Gldr class Dfl50 00 .... —
Jap Yen class Y5.000 —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg. Bermuda. 809 29 5400

Amer Tst $11.89 12.20 .... —

Perpetual UT Managers (Jersey) Ltd
PO Box 459. St Helier. Jersey. 0534 74517
Offshr Gr $1.067 1.136 ... 2.00

Rothschild Asset Management (CI)
St Julian's Ct. St Peter Port, Guernsey. 0481 26741
OC International Reserves Ltd
Bel Francs BFr842.18 +0.20 9 10
Canadian $ C$36.75 +0.010 7.99
D-Mark DM50 35 +0.005 3.83
Dutch Guilder Fl49 875 +0 05 4.21
French Franc FFr168 915 +0.050 11.31
Italian Lire L35 683 +13 12.97
Japanese Yen Y6,200.78 +1.78 5.19
Singapore $ S$62 80 +0 015 7.90
£ Sterling £14 061 +0.003 9.41
Swiss Franc SwFr45.471 +0.006 4.18
U.S. $ $28.81 +0.005 7.93
Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195. St Helier. Jersey. 0534 2756*
Schroder Money Funds Ltd
Sterling £13.7257 .... —
U.S. Dollar $25.6994 .... —
D-Mark DM50.7013 .... —
Swiss Franc SwFr50.4138 .... —

Tyndall-Guardian Management Ltd
PO Box 1256 Hamilton. Bermuda
T-G Am $23.76 — .... —
T-G Money $20.92 — .... —
T-G E'bond $15.78 — .... —
T-G Com $21.64 — .... —
T-G Mort C$19 28 — .... —
T-G O'seas $12.01 — .... —
T-G Pacific Y1.869 — .... —
T-G Wall St $24.90 — .... —

United Fund Managers Ltd.
16-18 Queens Road Central. Hong Kong 5-231417
S&MlayT US$10.02 10.32 .... —

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane. Potters Bar. 0707-42311
Pension Funds
EqPenFdAc 570.6 600.6 +2.7 —
Fix I Pen Ac 404.6 425.8 +3.8 —
GtMinPnAc 238.5 251.0 +0.1 —
IntMnPenAc 230.4 242.5 −0.5 —
NAmPFdAc 128 6 135.3 +0.6 —
Prop Pen Ac 216.3 227.7 ... —
Mp In Pn Ac 479.0 504.2 +0.9 —

Commercial Union Group
St Helens. 1 Undershaft. EC3. 01-283 7500
An Uts May 21 — 136.75 .... —
An Uts May 27 — 31.77 .... —
Prime Series
Managed 106.0 111.6 +0.4 —
UK Equity 109.0 114 8 +0.8 —
Int Equity 103 9 109 4 .... —
Property 97 5 102.7 +0.1 —
Fixed Int 103.8 109.3 +0.3 —
Indx Lnkd Gt 91 2 96.1 .... —
Cash 96.9 102.0 .... —
Hand-In-Hand
Cash 118.4 124.7 +0 1 —
Fixed Int 136 3 143.5 +1.7 —
Property 136 1 143 3 +0.1 —
NatWest 174.3 183.5 +0.7 —

Continental Life Insurance PLC
64 70 High St Croydon. CR0 9XN. 01-680 5225
Equity Acc 130 9 137.8 +0.3 —
Propty Acc 128.7 135.5 +0.9 —
Intl Acc 137 6 144 9 −4.3 —
ManagdAcc 136 8 144.1 −0 3 —
PenEqtyAcc 152 2 160.3 +1 0 —
Pens Prp Acc 139 5 146 4 +1.4 —
PenIntlAcc 130 7 137.6 −1.5 —
PenMgdAcc 143 2 150 8 −0 4 —
Gilt. Deposit. Index Fund prices available on request.

Friends' Provident Life Office
Pixham End. Dorking. (0306) 885055
Life Funds
Cash Accum 95 0 102 0 .... —
UK Eqty Acc 96.2 101.3 +0.7 —
Fxd Int Acc 97 0 102.2 +1.1 —
Indx Lkd Acc 94.0 99.0 +0.3 —
Mxd Acc 95.9 101.0 +0.5 —
O'seas EqAcc 95 0 100.0 .... —
Propty Acc 95.0 100.1 .... —
Pension Funds
Cash 118.2 124.5 .... —
Cash Accum 95.2 100.3 .... —
UK Eqty Capl 94.9 99.9 +0.3 —
UK Eqty Acc 95.0 100.0 +0.3 —
Fxd Int Capl 98.3 104.6 +1 4 —
Fxd Int Acc 96.4 101.5 +0.9 —
Indx Lkd Capl 92 7 97 6 −0 1 —
Mixed Capl 92.9 97 7 −0 1 —
Mixed Acc 95 2 100.3 +0.5 —
O'seas EqCap 95.3 100 4 +0.5 —
O'seasEqAcc 94.8 99 8 +0.3 —
Propty Capl 95 0 100 1 .... —
Propty Acc 95.0 100.1 .... —

Guardian Royal Exchange
Royal Exchange EC3. 01-283 7107
G.R.E. Pensions Management Ltd
PensPrpInt 127.3 134.0 . —
PensPrpAcc 136.7 143 9 —
Pnsix-LkGtIn 93.3 98.2 −0 2 —
Pnsix LkGtAc 93 4 98 3 −0.2 —
PensDepInt 133.6 140.7 +0.1 —
PensDepAcc 143.7 151 3 +0.1 —

Henderson Administration
11 Austin Friars. London EC2 01-588 3622
High Inc 135.3 142.5 +0.7 —
Gilt Edged 97.6 102 8 +0 8 —
Cap Growth 139 8 147.2 +1.4 —
Technology 162.2 170.8 +0.6 —
Nat Res ces 125 8 132 5 +0.1 —
Spec Sits 183.4 193.1 −0.4 —
N America 108 0 113 7 .... —
Far East 155 8 164.0 +0 4 —
Property 113.6 119.6 .... —
Managed 177 9 187.3 +0.5 —
Deposit 114 8 120.9 .... —
Prime Rest 110.2 116.1 .... —

Pension Funds
UK Equity 99 1 104.4 +1.1 —
Fixed Int 105.7 111.3 +1.0 —
Spec Sits 112.4 118.4 −0.4 —
N America
Far East 103.5 109.0 +0.2 —
Managed 104.7 110.3 +0.3 —
Comm Propy 96.5 101.6 .... —
Prime Rest 96.4 101.5 .... —
Deposit 96 5 101.6 .... —
Capital Unit prices available on request

London Life Linked Assn Ltd
100 Temple St. Bristol BS1 6EA. 0272-279175
Equity 207.4 213.6 +3.0 —
Property 162.3 167.1 +0.1 —
Fixed Int 159.8 160 5 +2.6 —
Deposit 139.2 139.2 +0.1 —
Mixed 181 3 185.1 +1.7 —
Index Stk 109.5 110.0 −2.0 —
Internationl 103.9 105.9 −0.4 —
London Life Managed Funds Ltd
Equity(P) 147.5 152.6 +2.1 —
Fixed Int(P) 162.3 163.5 +2.7 —
Property(P) 117.4 121 5 +0.1 —
Deposit (P) 117.8 117.8 +0.3 —
Mixed (P) 142.7 148.1 +1.1 —
Indx Stk(P) 115.6 116.4 −1.9 —
Internatl(P) 102.7 104.7 +1.5 —

Municipal Life Assurance Ltd
99-100 Sandling Road. Maidstone. 0622 679351
Managd Fd 94.0 100.0 .... —

Premium Life Assurance Co Ltd
Eastchester House. Haywards Heath. 0444 458721
Nat Res'ces 111.0 117.0 .... —
Property 138.0 143.0 .... —
UK Equity 129.0 136.0 .... —
Intl Equity 120.0 127.0 .... —

Prudential Pensions Ltd
Holborn Bars. EC1 2NH. 01-405 9222
Pru-Link Retirement Plan
Managed Fd 136 5 142.6 +0.9 —
Cash Fund 109.6 114.2 +0.2 —

Save & Prosper Group
4 Gt St Helens. London EC3P 3EP. 0708-66966
Gilt Pen Fd 181.9 192.5 +2.8 —
Dep PenFd† 180.8 191.4 +0.3 —
Gl Eq Pen Fd 53 5 56.7 +0.2 —

Skandia Life Assurance Co Ltd
Frobisher Hse. Southampton. 0703-334411
Managed 148.5 156.3 +0.6 —
Equity 159.8 168 2 −0.1 —
International 167 7 176.5 +0.3 —
Nth Amer 105 6 111.2 +0.2 —
Gilt Plus 138 5 145.8 +1.5 —
Property 126.4 133.1 .... —
Deposit 128.7 135.5 .... —
Pens Manod 175 7 184.9 +0.7 —
Pens Equity 186 1 195 9 −0.1 —
Pens Intnl 198 5 208 9 +0 4 —
PensGtPls 165.4 174.1 +2.2 —
Pens Prpty 152.1 160.1 +0.1 —
Pens Dep 155 3 163.5 +0 1 —
For prices of Capital Units and Guaranteed Basis Rates please phone 0703 334411.

Target Life Assurance Co Ltd
Target House, Gatehouse Road Aylesbury Bucks. Aylesbury (0296) 5941
U.S. Dollar — — 5 2
Swiss Franc — — 3.9
Deutsche Mark — — 3.4
Yen — — 2.7

TSB Life Ltd
PO Box 3 Keens House Andover Hant: SP10 1PG.
Managed Fd 99 9 105 2 +0.6 —
Property Fd 95 8 101.0 +0.1 —
Fixed Int Fd 98.5 103.8 +1.1 —
Money Fund 95.9 101.1 .... —
Equity Fund 102.8 108.3 +0.6 —

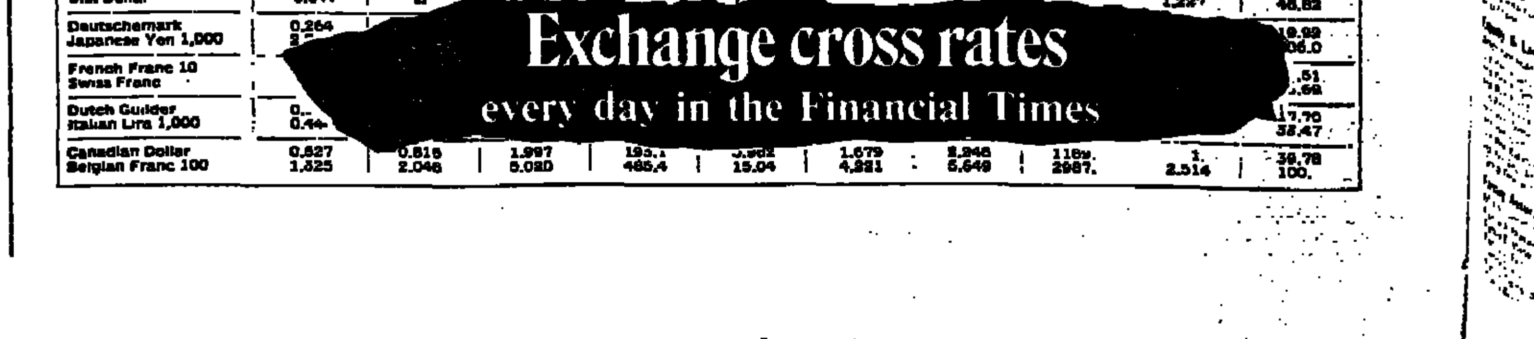
LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*384)						
300	94	102	—	2	3	—
330	64	72	—	4	8	—
360	42	54	62	11	14	22
390	26	38	48	20	28	36
420	14	22	—	44	48	—
Cons. Goldfields (*577)						
460	185	134	—	2½	5	—
500	90	100	112	5	17	21
550	45	67	82	17	32	38
600	22	40	55	38	50	57
Courtaulds (*92)						
65	27	30	—	0¾	1½	—
75	17	20	23	1	3	4
85	9	13	16	4	6	8
95	4½	8	11	10	12	14
Commercial Union (*165)						
120	47	49	—	1½	1½	—
130	37	40	—	2	3	—
140	30	32	37	2¾	5	7
160	14	19	24	8	13	15
180	5	10	15	20	23	26
G.E.C. (*230)						
180	60	66	—	2	5	—
200	42	50	56	4	10	14
220	26	33	42	11	19	24
240	13	22	30	18	27	32
260	6½	—	—	34	—	—
Grand Met. (*340)						
280	65	—	—	3	—	—
300	46	54	61	5	7	10
330	27	39	46	12	16	20
360	14	24	31	27	35	37
390	6	12	—	52	54	—
I.C.I. (*472)						
330	150	—	—	2	—	—
360	120	124	—	3	3	—
390	90	98	—	4	6	—
420	66	74	84	7	12	18
460	40	50	60	16	24	28
500	14	28	40	36	42	48
Land Securities (*316)						
260	59	66	—	2	—	—
280	39	47	—	2	6	—
300	21	30	39	7	12	17
330	9	16	26	22	27	33
Marks & Spencer (*206)						
180	34	40	—	4	6	—
200	20	28	35	8	11	14
220	10	16	23	19	23	25
240	4	—	—	35	—	—
Shell Transport (*518)						
390	138	144	—	1	2	—
420	108	114	—	1½	4	—
460	67	76	84	5	10	14
500	38	48	60	16	22	28
550	14	22	—	42	52	—

Option	Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Barclays Bank (*496)						
360	148	—	—	2	—	—
390	118	—	—	2	—	—
420	90	100	—	4	10	—
460	63	67	83	11	20	30
500	23	38	50	25	33	48
Imperial Group (*114)						
110	12	14	18	4½	7	8
120	5½	9	12	9	11	13
130	3	4½	—	17	18	—
LASMO (*280)						
210	83	93	—	3	4	—
230	63	78	—	5	9	—
250	53	65	—	10	20	—
270	43	53	—	20	30	—
280	—	—	58	—	—	40
290	28	—	—	35	—	—
300	—	33	43	—	45	53
320	16	—	—	55	—	—
330	—	22	—	—	60	—
Lonrho (*96)						
80	19	21	—	1½	2	—
90	11½	13	15	3½	6	8
100	5½	7	9½	9	12	15
P. & O. (*207)						
110	103	—	—	2	—	—
120	93	98	—	2	1	—
130	83	88	—	2	2	—
140	73	78	—	2	3	—
160	53	58	—	2	6	—
180	37	43	50	9	11	14
200	25	32	37	15	17	21
220	15	21	25	23	27	30
Racal (*516)						
420	112	120	—	2	8	—
460	77	90	108	9	15	27
500	52	72	88	20	32	48
550	28	—	—	47	—	—
600	9	—	—	92	—	—
R.T.Z. (*579)						
420	172	—	—	—	—	—
460	132	—	—	2	—	—
500	95	120	—	5	8	—
550	65	82	97	16	25	32
600	34	54	70	38	45	58
Vaal Reefs (*$124)						
90	36½	37½	—	1	3	—
100	26½	30½	—	2½	5½	—
110	20½	24½	—	5	8½	—
120	15	20	24½	9	13½	15½
130	9½	15½	19	14½	18½	21
140	5	11	—	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*398)						
360	50	60	70	7	12	15
390	27	43	52	15	25	30
420	10	25	35	28	40	45
Guest Keen (*160)						
135	31	36	41	2	5	8
155	15	24	30	7	11	15
175	5	12	18	18	23	25

May 26 Total Contracts 2,631 Calls 1,818 Puts 813
* Underlying security price.



INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	107.3	113.0	+0.4	
Do. Initial	105.6	111.2	+0.4	
Man Pens. Accum	232.6	244.9		—
Do. Initial	194.9	205.2		—
Gilt Edg.Pens. Accum	200.8	211.4		—
Do. Initial	162.2	170.8		—
Money Pens. Accum	180.0	189.5		—
Do. Initial	147.1	154.9		—

Black Horse Life Ass. Co. Ltd.

71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.		227.89		—
Managed Inv. Fd.	154.39	162.52		—
Property Fd.	148.23	156.04		—
Fixed Interest Fd.	140.65	148.06		—
Cash Fd.	133.37	140.39		—
Income Fd.	159.68	168.09		—
Extra Income Fd.	154.82	162.97		—
Worldwide Growth Fd.	212.89	224.10		—
Balanced Fd.	168.11	176.96		—
Smlr Co's & Rcvy. Fd.	197.96	208.38		—
Int. Technology Fd.	243.52	256.34		—
Nth. Amer & Gen. Fd.	158.05	166.37		—
Energy Int. Fd.	94.12	99.08		—
Pacific Basin Fund	123.39	129.89		—

British National Life Assurance Co. Ltd.

Harlands Rd, Haywards Heath. 0444 414111

Equity	95.5	100.6		—
International	118.6	124.8		—
Property	105.5	111.0		—
Deposit	97.1	102.2		—
Fixed Interest	96.2	101.2		—
Managed	104.6	110.1		—
Equity Pens Cap.	94.0	99.0		—
Int'nl. Pens. Cap.	124.0	130.5		—
Property Pens. Cap	106.6	112.2		—
Deposit Pens Cap	96.2	101.3		—
Fixed Int. Pens. Cap	94.9	99.9		—
Managed Pens Cap.	106.1	111.7		—

Canada Life Group

2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth May 1		93.6		—
Rent. Fed. May 6		233.0		—
Managed Pen Fund	174.2	183.4		—
Property Pen Fund	110.2	116.0		—
Index Lnkd Pen Fund	116.2	122.3		—
Managed	115.1	121.2	+1.0	—
Property	99.9	105.2		—
Gilt and Fixed Interest	101.7	107.1	+0.7	—
Index-Linked	98.4	103.6	−0.8	—
Equity	114.8	120.9	+2.4	—

G.T. Management Ltd.

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

OFFSHORE AND OVERSEAS

NOTES

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for May 26.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	97¾	98¼	-0⅛	-0⅝	10.66
Amro Bank 13 88	200	107¾	107⅞	0	-0½	11.23
Bank of America 8 88 XW	150	89¼	89¾	0	-0½	10.51
Bank of Tokyo Hold 11 90	100	99⅛	99⅝	0	-0⅝	11.12
British Col Hyd 10¼ 88	200	99½	99¾	0	-0½	10.40
Canadair Ltd 12½ 89	175	106	106½	-0⅛	-1	11.06
Canadian Wheat 11⅛ 90	50	101¾	102¼	+0⅜	0	10.82
CIBC 11 90	75	98⅛	98⅝	0	-0⅛	11.34
Citicorp O/S 10⅞ 90	100	97	97½	0	-0⅛	10.95
Coca Cola Int 9⅞ 92	100	25½	26	0	-0½	10.61
Coca Cola Int 11¾ 89	100	104¼	104¾	-0½	-0⅞	10.71
Cred Suisse BAH 10½ 90	150	99⅞	100⅜	0	-0¼	10.48
Credit Suisse 10½ 89	100	102⅝	103⅛	0	-0⅝	9.86
Den Norsk Cred 11¼ 93	50	97¼	97¾	0	-0¼	11.69
Du Pont 11⅛ 86	150	102⅞	103⅜	0	-0½	10.75
E.D.C. 10⅝ 88	100	99⅞	100⅜	-0⅛	-0⅝	10.58
E.D.C. 11¾ 87	100	102¾	103¼	-0⅛	-0⅝	10.82
E.D.F. 11⅛ 93	100	97¼	97¾	0	-0⅝	11.55
E.E.C. 10¾ 95	75	96⅛	96⅝	0	-0⅝	11.31
E.E.C. 11½ 95	200	99⅞	100⅜	-0⅛	-0⅝	11.48
E.I.B. 11 91	125	99½	100	0	-0⅛	11.03
Forsmarks 13¾ 92	75	107⅞	108⅜	0	-0⅛	12.21
Fuji Int Fin 10⅞ 90	100	97¾	98¼	0	-0⅝	11.38
Gaz de France 12¼ 93	175	101¼	101¾	-0⅛	-0½	11.98
Gen Elec Credit 9⅞ 91	100	15⅜	15⅞	-0⅛	-0⅝	10.56
Gen Elec Credit 12 88	100	106⅛	106⅝	0	-0⅝	10.54
GMAC O/S Fin 10½ 90	200	100⅛	100⅝	0	-0⅝	10.40
Gulf Oil Fin 12¼ 87	100	103⅝	104⅛	0	-0⅝	11.04
Honeywell Int 10¾ 90	100	100	100½	0	-0⅛	10.88
IBM World Trade 12¼ 92	200	109¼	109¾	0	-0⅝	10.58
Indust Bk Japan 10⅞ 88	100	99	99½	0	-0⅝	11.07
Japan Air Lines 10⅞ 98	42	95⅞	96⅜	0	-1¼	11.42
Merrill Lynch 10⅝ 90	200	98⅞	99⅜	0	-0⅝	10.88
Midland Int Fin 11½ 92	150	101¼	101¾	+0⅛	-0⅝	11.19
Mitsubishi Corp 10½ 90	100	96⅞	97⅜	0	-1¼	11.17
Nat West Fin 11¾ 92	150	103¼	103¾	0	-0⅝	11.11
Nippon Credit 11 90	100	97⅝	98⅛	0	-0⅝	11.46
Nippon Credit 11¼ 93	100	98⅞	99⅜	0	-0⅛	11.40
O.K.B. 10 91	100	94⅞	95⅜	-0⅝	-1⅛	10.97
Ontario Hydro 11¼ 89	200	103	103½	-0⅛	-0⅝	10.51
Ontario Hydro 12¾ 92	200	108⅝	109⅛	0	-0½	11.15
Prudential O/S 10⅝ 93	100	99⅝	100⅛	0	-0½	10.64
Prudential O/S 12¾ 87	150	107⅜	107⅞	0	-0⅝	10.45
Quebec Hydro 11½ 92 D	100	101⅞	102⅜	+0⅛	-0½	11.18
R. J. Reynolds 12¾ 89	100	106	106½	-0⅛	-0⅝	11.28
Saskatchewan Pr 10¾ 90	125	99⅜	99⅞	0	-0⅝	10.81
S.N.C.F. 11½ 93	100	99¼	99¾	+0⅛	-0⅛	11.57
Sth Cal Edison 10½ 90	75	99	99½	-0¼	-0⅝	10.65
Swiss Bk Corp 10⅛ 90	125	102	102½	0	-0¼	9.75
Texaco Capital 9¾ 90	150	95⅝	96⅛	-0⅛	-0⅝	10.59
U.B.S. 10 88	100	101⅜	101⅞	0	-0⅛	9.56
U.B.S. 11 89	150	103⅞	104⅜	0	+0⅛	10.07
Walt Disney Pro 12½ 89	75	105¾	106¼	+0⅛	-0½	11.02
Westpac Int Fin 11 90	100†	97⅜	97⅞	0	-0¼	1.36
World Bank 10⅝ 88	150	99	99½	+0⅛	-0⅛	10.56
World Bank 10⅞ 93	100	98⅞	99⅜	-0⅛	-0⅛	11.01
World Bank 11⅛ 88	100	99⅛	99⅝	-0⅛	-0⅛	11.18

Av. price changes: on day -⅛, on week -½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 6⅞ 93	200	96⅞	97⅜	-0¼	-0⅛	6.92
Bank of Tokyo 7⅛ 90	100	99⅞	100½	-0⅛	+0⅛	7.22
Bayer Capital 7⅝ 89	150	103	103⅜	-0⅛	-0⅝	6.95
Caisse Nat Energie 8 93	100	99½	100¼	+0⅛	-0⅛	8.01
Caisse Nat Tele 7⅞ 93	200	97⅝	98⅛	-0⅛	-0⅝	8.06
E.C.S.C. 7½ 93	150	98¼	99	-0⅛	-0⅝	7.70
E.E.C. 7¾ 95	200	99½	100¼	0	-0⅛	7.76
E.E.C. 8 94	200	99⅞	100⅝	-0¼	-0⅝	7.96
Escom 8½ 90	150	100⅞	101⅜	-0¼	-0⅝	8.27
Eurofima 7½ 91	100	101¾	102⅛	+0⅛	0	7.19
Ferrovie Dello 8⅝ 88	150	101¾	102¼	0	-0⅛	8.21
H.J. Heinz Int 6⅞ 88	50	100½	101¼	0	-0⅛	6.52
Int-Am Dev Bk 7¾ 93	250	97⅞	98⅝	+0⅛	+0⅛	8.01
Int-Am Dev Bk 8¼ 93	150	100½	101	-0¼	-0⅝	8.12
Ireland 8½ 90	150	101	101½	-0⅛	-0⅝	8.24
Ireland 8⅞ 91	150	101⅝	102⅜	+0⅛	-0⅛	8.49
ITT Antilles 7 93	200	97¾	98½	+0¼	-0⅛	7.27
McDonalds Fin 7⅛ 92	100	101	101⅝	+0¼	0	6.91
Mitsui O.S.K. 7⅛ 88	100	100¼	100⅝	0	-0⅛	7.11
Mount Isa Fin 7⅞ 90	100	98⅛	98⅞	-0⅛	0	7.91
Quebec Hydro 8 93	200	101⅞	102⅝	0	-0⅛	7.65
Sweden Kingdom 8¼ 89	150	102½	102⅞	-0⅛	-0⅝	7.73
Volkswagen Int 7¼ 93	200	97½	98¼	-0⅛	-0⅛	7.56
World Bank 7¼ 93	200	97¼	98	-0⅝	-0⅝	7.60
World Bank 7½ 93	300	98¾	99¼	-0¼	0	7.64

Av. price changes: on day -⅛, on week -¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	100⅛	100⅝	-0⅛	+0⅛	5.34
AKZO 5⅝ 93	100	98⅝	99	0	+0¼	5.76
American Express 4¾ 93	100	95	95¼	0	0	5.40
Asian D.B. 5⅞ 95	100	99	99¼	-0½	0	5.90
BTR Finance 5⅝ 93	75	97¼	97½	+0⅝	-0¾	5.96
Carls-Tuborg Brw 5¾ 93	60	101	101¼	-0¾	-1¼	5.60
Chujitsuya Co 5⅞ 93	50	97¾	98	+0⅛	0	6.17
E.I.B. 5¾ 93	100	99	99¼	0	-0½	5.87
Ex-Im Bk Japan 5 93	100	95½	95¾	-0⅛	-1¼	5.58
Fuji Electric Co 6 93	100	101½	101¾	-0¼	-0½	5.78
Gothenburg Airport 6 93	50	99⅝	100	-0¼	-0⅛	6.01
HCA Finance 5 93	100	97½	97¾	-1⅛	-0¼	5.32
Japan Dev Bank 5½ 93	100	98½	98¾	0	-0¼	5.68
Manitoba Prov 5¼ 93	100	100¾	101	-0½	-0¼	5.13
Nippon Express Co 6 93	50	101½	101¾	-0½	-0½	5.77
Norsk Hydro 5½ 98	100	97½	97¾	0	-0½	5.74
Quebec Hydro 5½ 93	100	100	100¼	+0¾	-0¼	5.48
Sekisui House 6 93	100	100⅛	100⅜	+0⅛	-0⅜	5.96
Shikoku Elec Pow 5⅞ 93	100	97¾	98	0	0	5.91
Sumitomo Metal Ind 6 91	100	99¾	100	-0¼	+0⅛	6.02
Tohoku Elec Power 6 93	100	100¼	100½	+0¼	0	5.95
Transcanada Pipe 5¾ 93	100	98¾	99	+0½	+0¼	5.90
Trizec Corp 6¼ 91	100	101¾	102	-0¾	-0⅛	5.94
Union Bk Norway 5⅝ 93	60	97½	97¾	0	-0⅛	5.70
Volvo 5⅝ 91	60	99	99¼	-0½	-1	5.51
World Bank 5⅝ 93	100	98½	98¾	0	-1⅛	5.81

Av. price changes: on day -⅛, on week -¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅛	105⅞	0	0	7.77
E.I.B. 8¼ 92	15	102⅞	103⅝	-0⅛	+0⅛	7.74
Japan Airlines 7⅞ 87	9†	101½	102	0	-0¼	7.31
New Zealand 7⅝ 89	15	101¼	102	0	0	7.28
World Bank 8⅝ 92	20	103⅝	104⅜	0	0	7.72

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 90 CS	50†	99¼	99¾	-0¼	0	12.58
Farm Credit 12⅛ 93 CS	50†	102½	103	0	-0¼	11.63
Intprov Pipe 12¼ 93 CS	50†	99	99½	0	-0¼	12.38
Mont Trans 12½ 90CS	20†	99	100	0	+0¼	12.59
Pancanadian 12½ 93 CS	50†	99⅝	100⅛	0	-0⅝	12.51
Quebec Hydro 14 92 CS	60†	107	108	0	-0½	12.56
Swed Exp CR 12⅛ 88 CS	50†	103	104	0	-0¼	11.22
E.I.B. 11¾ 91 ECU	60	100⅝	101⅜	-0⅝	0	11.53
Quebec Prov 11½ 89 ECU	50	99⅛	99⅞	-0⅝	+0⅝	11.80
Austria 7½ 88 Fl	100	98⅞	99⅜	+0⅛	-0⅛	7.84
Consol Foods 7⅛ 88 Fl	100	97⅝	98⅛	+0⅛	0	7.78
Nederland Gas 7½ 88 Fl	100	99¾	100¼	0	+0⅛	7.49
Philips Lamps 7¼ 88 Fl	100	99¾	100¼	+0¼	+0¼	7.24
Quebec Prov 7½ 88 Fl.	100	98⅞	99⅝	+0⅛	+0⅝	7.71
World Bank 7 88 Fl	150	96½	97	-0½	-0⅝	7.84
O K.B. 14 86 FF	400	99⅛	100⅛	+0⅛	-0⅛	14.09
Solvay & Cie 14⅝ 86 FF	200	100¼	101¼	0	-0⅛	14.33
B.F.C.E. 11½ 88 £	50	97⅞	98⅜	+0⅛	+0⅛	12.02
B.F.C.E. 14½ 87 £	30	107¾	108⅞	+0⅛	+0¼	11.78
British Oxyg 11⅝ 91	50	98⅞	99⅜	+0⅛	+0⅝	11.92
C.N.T. 12½ 89 £	20	101½	102½	0	+0⅛	11.98
E.E.C. 11⅞ 91 £	50	100¾	101¼	0	+0⅜	11.84
Fin For Ind 12¾ 88 £	30	103⅞	104⅝	0	+0⅛	11.12
Fin Mat Oranj 12⅝ 92 £	30	103⅞	104⅝	+0⅛	+0½	11.85
Gen Elec Co 12½ 89 £	50	105½	106½	+0¾	+0½	11.03
Mort Bk Fin 11¾ 89 £	15	97⅝	98⅛	+0⅝	+0¼	12.23
Norsk Hydro 12 90 £	30	101⅝	102⅜	+0⅛	+0¼	11.52
Norsk Hydro 14½ 87 £	30	107⅞	108⅞	0	0	11.78
Quebec 14½ 88 £	30	109	110	+0⅛	0	12.20
S.D.R. France 15½ 92 £	30	107	108	0	0	13.95
S.N.C.F. 11½ 89 £	30	97½	98¼	-0⅛	0	11.96
Tenneco Int 14⅝ 87 £	30	108⅞	109⅞	0	+0⅛	11.75
World Bank 11⅞ 91 £	75	99⅛	99⅝	+0¼	+0⅛	11.50
Euratom 11 93 LuxFr	500	104⅝	105⅝	0	+0⅝	10.13
Europarat 10⅝ 93 LuxFr	600	103¼	104¼	+0⅛	0	10.13

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	99⅞	100⅜	10/6	9¾	9.74
B.F.C.E. 5⅛ 87	0¼	99⅛	99⅝	27/7	9.94	10.06
B.F.C.E. 5¼ 88	0¼	98⅞	99⅜	20/7	9¼	9.33
Caisse Nat Tele 5¼ 90	0¼	98⅞	99⅜	21/10	9.56	9.65
C.C.F. 5¼ 95	0¼	99¼	99½	7/10	10.19	10.25
C.C.F. 5⅛ 98	0⅛	99½	99⅞	24/9	9.94	9.97
Cepme 5¼ 88 WW	0¼	99⅛	99⅝	3/6	5⅛	5.28
Cepme 5⅛ 92	0¼	99½	99⅞	18/8	9.94	10.00
Chemical NY 5¼ 94 ††	0⅛	100¼	100¾	23/8	9⅞	9.83
C.N.T. 5⅛ 91	0¼	98½	98¾	6/11	9¼	9.38
Credit Agricole 5⅛ 97	0⅛	98⅞	99⅜	24/9	10	10.09
Credit du Nord 5¼ 92 †	0¼	98⅝	99⅛	23/6	10⅛	10.23
Credit Lyonnais 5¼ 94	0¼	98⅞	99⅛	5/7	9¾	9.85
Credit Lyonnais 5⅛ 97	0¼	98⅞	99⅛	1/10	10.06	10.16
Credit Nat 5⅛ 94	0¼	98⅝	98⅞	9/9	9⅛	9.36
E.D.F. 5⅛ 95 XW	0¼	99	99½	10/8	10	10.08
Kansallis Osake 5½ 92	0⅛	98⅞	100	6/11	9⅛	9.14
Long Term Cred 5¼ 92	0⅛	99⅞	100⅜	27/5	10½	10.13
J.P. Morgan 5⅛ 97 S	0¼	100⅛	100⅝	12/8	9	8.98
New Zealand 5⅛ 87	0⅛	100⅛	100⅝	7/10	10.06	10.02
NZ Steel Dev 5¼ 92	0¼	99⅝	100⅛	22/8	10.19	10.19
Nippon Credit 5¼ 90	0⅛	99⅞	100⅜	18/8	9⅞	9.86
Scotland Int 5¼ 92	0⅛	99¾	100	23/9	9.94	9.95
Sec Pacific 5¼ 91 †	0¼	100⅛	100⅝	24/5	10.06	10.04
Société Générale 5¼ 95	0¼	99	99¼	1/9	8½	8.58
Sweden 5¼ 89	0¼	99¼	99¾	26/8	9⅝	9.67
Sweden 5¼ 93	0¼	99½	100	3/8	10.19	10.21

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	840.2	100¾	101¾	+0⅝	10.18
Bridgestone Tire 5½ 96	3/82	470	100⅝	101⅝	+0⅛	3.43
Canon 7 97	7/82	748.2	192½	194½	+2⅝	2.40
Fujitsu Fanuc 4½ 96	10/81	4491	125¾	127¾	+0⅝	7.14
Hitachi Cable 5⅛ 96	2/82	515	98	99½	+1	8.09
Honda Motor 5½ 97	3/82	759.6	108⅞	110⅜	+0⅝	0.28
Kawasaki 5⅜ 96	9/81	229	81	82½	+1	21.86
Komagai Gumi 6½ 97	10/82	408	110½	112	+0⅛	2.24
Kyowa Hakko 6¼ 97	2/83	782	101⅞	103⅜	+0⅝	7.50
Minebea Co Ltd. 5½ 98	5/83	667	100⅜	101⅜	+1⅛	1.37
Minolta Camera 5 98	10/81	825.4	81	82½	+1	34.08
Mitsubishi Electric 5¼ 98	6/83	396	98½	99½	+0½	5.40
Murata 5¼ 96	7/81	1714	119⅝	121⅛	+1⅞	8.18
Nippon Electric 5¼ 97	2/82	765.9	138⅝	140⅛	+2⅝	-5.52
Nippon Oil Co 5½ 98	4/83	964	99⅝	100⅝	-0⅝	10.20
Nissan Motor 5⅝ 98	4/83	770	95⅝	96⅜	-0⅛	1.34
Olympus Optical 6⅜ 97	12/82	1331	97⅞	99⅛	+0¼	8.48
Orient Finance 5¼ 97	3/82	927.2	105½	107	-1⅛	3.88
Sumitomo Electric 5½ 97	3/82	677.3	100⅛	101⅝	+1⅝	5.28
Sumitomo Metal 5¼ 96	10/81	296.1	76⅛	77⅝	+1	40.58
NEC Corp 3½ 93 SF	6/83	978	109¾	111¾	+1	1.83
Sanyo Electric 3½ 93 SF	5/83	501	102½	104½	+0½	10.48
Konishiroku 6¾ 88 DM	6/82	616	114½	115½	0	5.03
Mitsubishi Heavy 6 88 DM	2/82	263	106⅞	107⅞	-0⅝	19.18
Sum Realty 6¼ 92 DM	2/83	385	115⅛	116⅛	-1	8.06

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dte – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. C. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

APPOINTMENTS

Superior Oil elects ten

● SUPERIOR OIL COMPANY has elected 10 directors. Mr A. R. Nielsen is to join the board for a two-year term. Re-elected were Mr Marsh A. Cooper, Mr R. Dorsey and Mr John E. Kolb for one-year terms; Mr Max R. Lents and Mr J. T. Trotter for two-year terms; and Mr F. C. Ackman, Mr E. O. Gaylord, Mr H. B. Keck and Mr Edward Randall III for three-year terms.

● Mr Allan Tomlinson has been elected chairman and chief executive officer of the agricultural chemicals/animal health joint venture company being formed by DIAMOND SHAMROCK and Showa Denko, KK of Japan. Mr J. L. Jackson has been elected to replace him as president and chief operating officer of Diamond Shamrock and also on the board. Mr Robert Garbesi will replace Mr Jackson as president of the company's coal unit based in Lexington, Kentucky. Mr Garbesi has also been elected a corporate vice-president of Diamond Shamrock. All of the new assignments are effective June 1. The joint venture will be headquartered in Concord township, Ohio, where Diamond Shamrock has research facilities that will become part of the company.

● *Dr Klaus Liesen has joined* TENNECO's European advisory council. Dr Liesen is chairman of the executive board of Ruhrgas AG.

● Mr James Moffat, company secretary and a main board executive director of WEDGWOOD, has been seconded to Wedgwood's U.S. subsidiary, Franciscan Ceramics, to take control of the redevelopment of Franciscan's activities. Mr Moffat is replaced as company secretary by Mr George Stonler, the assistant company secretary.

● Mr Wayne Morris has been named president and chief executive officer of KEYCOM ELECTRONIC PUBLISHING, a Chicago-based joint venture of Centel, Honeywell and Field Enterprises, involved in videotex and teletext services. He replaces Mr Robert Nichols who will assume the newly-created position of president of Centel Supply, a nationwide distributor of telecommunications equipment. Both changes are effective June 1.

● A Calgary-based subsidiary of TRANSCANADA PIPELINES has created two new senior posts. Named chairman and chief executive officer of TCPL Resources is Mr James Cameron, executive vice-president, corporate. Mr Gordon Leslie, vice-president and general manager of TCPL Resources, has been appointed president and chief operating officer. Mr Cameron will retain his Transcanada responsibilities in addition to his new duties and will remain in Toronto. Mr Leslie will continue to be based at the TCPL Resources head office in Calgary.

● Mr Hatim Tyabji has been appointed vice-president in charge of hardware products of the computer systems operations of SPERRY. He will be responsible for all development and manufacturing at the company's facilities at Roseville, Minnesota; Blue Bell, Pennsylvania; Bristol, Tennessee; and at Rödelheim, near Frankfurt in West Germany. He will be based in Roseville.

I.C. Inds issue increased

By Peter Montagnon in London

THE 9¾ per cent, eight year bond issue launched on Monday in the Euromarkets for I.C. Industries, the U.S. railroad based holding company, has been increased to $100m from $75m.

The increase reflects the market's current appetite for U.S. corporate names, especially when the bond issue is equity linked. The bonds carry warrants to buy shares and/or 11 per cent bonds due 1991.

With warrants the issue was trading yesterday at around par, while Wednesday's $100m, five year 10½ per cent issue for Security Pacific was languishing at a discount of more than two per cent on its par issue price. The issue is regarded as too tightly priced in a market that is saturated with bank paper.

Secondary market trading continued quiet in all sectors of the international bond market yesterday with some prices easing fractionally on the back of a poor start to the New York bond market.

The $52.36m convertible issue for Sandoz, the Swiss chemical group, was priced yesterday. It is led by UBS (Securities). The bonds will bear a coupon of 5 per cent over 12½ years, and the conversion premium has been set at 10.12 per cent. Sandoz shares closed yesterday at SwFr 797.

EOE sets up new body

By Walter Ellis in Amsterdam

A NEW body, the International Association of Options Exchanges, has been set up, under the acting chairmanship of Mr Tjerk Westerterp, president of the European Options Exchange in Amsterdam.

Its function will be "to study and to promote the resolution of all problems connected with the listings trading and clearing of traded options." All existing Options Exchanges and clearing houses throughout the world are eligible for admission to the new association.

Represented at talks aimed at establishing the new body in Amsterdam this week were dealers from Chicago, New York, London, Toronto, Montreal, Sydney, Vancouver and Amsterdam. They discussed the financing of professional traders, co-operation between clearing houses, the interchange of order book transactions, the introduction of new options products and the exchange of training programmes.

The European Options Exchange, which likes to present itself as a world leader in options trading, is having its best year ever at present and is likely to record a net profit of more than Fl 1m ($358,000). In 1982, earnings were Fl 590,000 and a year earlier the result was a mere Fl 26,000.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or –	Net Div.	Times Covered	Gross Yield	P.E. Ratio
¶88	F.P.	—	95	88	✠Adam Leisure 10p	95	.....	bd2.0	2.9	3.0	18.5
§68	F.P.	20/5	103	80	✠Bensons Crisps 10p.	81	.....	g1.9	3.1	4.4	10.7
¶515	F.P.	17/6	515	500	Boase Massimi Pollitt	508	.....	b4.5	2.6	2.1	26.1
§110	F.P.	3/6	160	118	✠Bryant (Derek) 10p	120	–2	u5.25	2.0	6.3	11.7
§80	F.P.	21/6	79	75	✠Castle (G.B.)	76	.....	b2.5	1.9	4.7	15.6
115	F.P.	29/6	129	100	✠*Chem.Meth.Ass Inc*	119	.....	bQ5.5	2.6	3.3	11.7
¶225	F.P.	6/5	253	220	Datastream 5p	225	.....	b2.25	3.5	1.4	28.5
‖ ‖	F.P.	—	80	65	Don Bros., Buist	73	–2	b3.5	2.6	6.6	6.2
**	F.P.	13/7	21	19	E'burgh Inv.Warrants	21	+1	—	—	—	—
§14½	F.P.	31/5	16	14	Edmond Hldgs. 10p	14	.....	b1.0	1.1	10.2	12.7
§587	F.P.	—	625	595	Int'l Income Property	605	.....	Q50c	—	8.8	—
‖ ‖	F.P.	—	60	34	✠IntervisionVideo10p	44	.....	1.0	2.1	3.3	17.4
§80	F.P.	20/5	135	110	✠Lorin Elect. 20p	120	+5	b1.0	5.0	1.2	18.5
§32	F.P.	10/5	43½	38½	MCD	41½	.....	u1.0	2.2	3.4	18.9
§70	F.P.	15/6	82	75	✠Mallerware 10p	78	.....	u2.52	2.3	4.6	12.4
240	F.P.	24/6	502	260	✠Micro Focus 10p	502	+12	—	—	—	44.1
§94	F.P.	20/5	155	140	✠Microlease 10p	150	.....	ud2.0	2.5	1.9	24.3
§60	F.P.	27/5	143	113	✠Miss World Grp. 10p	113	.....	b3.0	2.5	3.8	15.3
¶¶65	F.P.	16/6	63	60	✠Mnemos 10p	60	.....	—	—	—	—
100	F.P.	—	97	95	Murray Electronics	96	–2	—	—	—	—
¶350	F.P.	27/5	376	348	Octopus Publish. 20p	375	+5	‡8.0	2.3	3.1	17.7
§248	F.P.	—	£67	£56½	Perstorp AB Free 'B'	£56½	.....	9.9%	0.2	0.8	24.9
‖ ‖	F.P.	—	44	27	✠Rivlin I. D. & S. 5p	44	+8	Q F0.1	—	0.3	—
§134	F.P.	27/6	150	130	✠Securiguard 5p	130	.....	b1.75	2.6	1.9	28.1
§105	F.P.	10/6	150	120	✠Spring Ram 10p	140	+5	u3.0	2.3	3.1	18.4
120	F.P.	—	120	108	✠StainlessMetalcraft	108	.....	b42	1.6	6.6	18.1
§47	F.P.	3/6	80	65	✠*Strikes Rests. 10p*	64	.....	g1.35	3.5	3.0	13.4
¶¶	F.P.	29/7	28	25	Throgmort'n Tst.Wtnt	28	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or –
¶¶100p	F.P.	18/5	120p	100p	✠Booth 10% Con. Uns. Ln. 1990	108p	.....
—	£20	28/10	21⅛	19¼	Bristol 11½% Red. 2018	21⅛	+¼
—	£25	26/8	25	23¼	Brixton Est. 11¾% Deb	24¾	+⅛
¶101	£10pd	28/7	10¾	9¾	East Anglia Water 7% Red. Pref. 1988	10	.....
§100p	F.P.	12/5	117p	110p	East'n Prod. 10½% Con. Ln. 1997-2002	110p	.....
¶101	£10	28/7	12	10¼	Folkestone Water 7% Pref. 1988	10⅛	–⅛
‖	Nil	—	10pm	8pm	Hunting Assoc 9½% Con. Uns. Ln. '03-08	7pm	.....
§§101¼	£25	—	25¼	25	Iceland 14½% 2016	25¼	.....
—	—	—	100⅛	99	Nationwide B. S. 10¾% Bds. 30/4/84	99⅞	.....
—	—	—	100⅛	100⅛	Do 10⅞% Bds 29/5/84	100⅛	.....
§100	£25	7/7	23	21¼	N'castle&G'headWater11½%RdDb2004	22½	+⅛
¶¶	F.P.	24/6	102	99¾	NewThrogm'rt'n Tst. (83) 12.6% 2008	102	+1¼
93.89	£30	15/9	31⅛	29½	New Zealand 11¼% 2008	31⅛	+½
¶101	£10pd	28/7	10⅛	9¾	North Surrey Wtr. 7% Red. Pref. 1988	10⅛	+⅛
¶¶	—	—	95	95	Rightwise 12% Ln '83-85	95	.....
99.783	F.P.	17/6	101¼	99	Securities Tst of Scot. 12% 2003	100¼	+¾
¶¶	F.P.	29/7	103½	100½	Throgmorton Tst. 12⅛% Deb. 2010	103½	+⅛
‖	F.P.	12/5	112p	96½p	Tomatin Dist. 7% Cnv. Pref	102p	.....
§98.57	£25	31/8	24¼	22½	Trafford Park Est. 11¾% 2007/11	24	+1
§99.89	£25	20/9	28¼	26	Watn'yM'nn&Trum'n12½% Red.Deb.2008	28	+1
100p	F.P.	13/5	113p	104p	Wellman Eng. 10% Irr. Pref	113p	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or –
35	F.P.	20/5	17/6	49	37	Anvil Pet. 20p	47	+7
£1.R.0.8	Nil	—	—	7½pm	2pm	‡‡Atlantic Res.	2pm	.....
A$1.502	Nil	—	—	81pm	75pm	Bridge Oil	75pm	.....
A$3.80	Nil	—	—	90pm	78pm	CRA	90pm	+5
42	F.P.	—	6/6	58	34	Combined Tech. 10p	34	–1
78	Nil	—	—	12pm	9pm	Courtaulds	12pm	.....
85	F.P.	—	3/6	125	121	Dubilier 5p	125	+1
125	F.P.	—	17/6	150	144	EIS	149	.....
14	F.P.	19/5	31/5	15½	13½	Edmond Hlds. 10p	14	.....
155	F.P.	—	10/6	215	191	Electro Protective $0.05	215	+5
145	F.P.	23/5	1/6	166	153	GKN £1	159	–1
146	F.P.	—	22/6	157	151	Hawley Grp.	154	.....
100	F.P.	—	17/6	164	153	Mellins 5p	162	.....
290	F.P.	6/5	10/6	365	345	Mills & Allen	350	+10
45	Nil	—	15/7	2½pm	2pm	Myson Group 10p	2½pm	.....
1.25	Nil	13/5	24/6	22½pm	14pm	Norton (W.E.) 1p	22½pm	.....
150	Nil	—	17/6	12½pm	10pm	Rightwise 10p	10pm	.....
—	F.P.	6/5	3/6	0⁴	15½	Sheffield Brick	33	.....
—	F.P.	—	21/6		184	Spirax-Sarco	194	+2
—	F.P.	—	10/6		430	Standard Chartered Bank£1	450	–7
	F.P.	—	10/6		245	Warehouse Gp.	260	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ⊕ Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. † Effective issue price after scrip. ‡ Formerly dealt in under special rule.

WEEKLY U.S. BOND YIELDS (%)

	May 25	May 18	1982-83 High	1982-83 Low
Composite Corp. AAA	11.21	11.01	14.88	10.62
Composite Corp. AA	11.38	11.17	15.24	10.78
Government:				
Long-term	10.68	10.54	14.02	10.18
Intermediate	10.33	10.11	14.24	9.83
Short-term	9.73	9.50	14.52	9.21
Municipal	n/a	9.18	12.62	8.72
Industrials AAA	11.01	10.86	14.49	10.51
Industrials AA	11.21	11.06	14.79	10.72
Utilities AAA	11.41	11.15	15.27	10.73
Utilities AA	11.58	11.28	15.89	10.85
Preferred Stocks	10.78	10.62	13.35	10.59

Source: Standard & Poor's

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$400	10	53	—	—	—	—	$440.50
GOLD C	$425	7	33	—	—	—	—	"
GOLD C	$450	23	19	14	32.50	—	—	"
GOLD C	$475	38	10.50	40	21	—	—	"
GOLD C	$500	20	8 A	22	13	—	—	"
GOLD C	$550	41	1.50 A	15	6	—	—	"
GOLD P	$400	10	4	10	5	—	—	"
GOLD P	$425	31	9	5	10	3	15	"
GOLD P	$450	14	19	13	24	8	26	"
		June		Sept.		Dec.		
SILV C	$.12	11	1.60	4	2.50	5	3	$13.40
SILV C	$.13	—	—	27	1.99	2	2.40	"
SILV C	$.14	—	—	14	1.40	18	1.65	"
SILV P	$.15	—	—	—	—	2	1.20	"
		July		Oct.		Jan.		
AKZO C	F.40	—	—	1	19.30	—	—	F.58.40
AKZO C	F.50	—	—	46	11	—	—	"
AKZO C	F.55	20	5.30	—	—	25	9.50	"
AKZO C	F.60	47	3.10	39	5.70	4	8.50 A	"
AKZO C	F.65	22	1.40	61	3.70	11	5.20	"
AKZO P	F.45	5	0.20	—	—	—	—	"
AKZO P	F.50	22	0.80	11	2	—	—	"
AKZO P	F.55	42	1.90	—	—	—	—	"
AKZO P	F.60	70	4.20	—	—	2	7	"
AKZO P	F.65	10	6.80	—	—	—	—	"
KLM C	F.140	2	10	—	—	—	—	F.141.70
KLM C	F.150	19	5	21	9.20	—	—	"
KLM C	F.160	28	2.80	—	—	—	—	"
KLM C	F.170	25	1.10	2	3.50	—	—	"
KLM P	F.120	33	1.70	—	—	—	—	"
KLM P	F.130	17	4.60	—	—	—	—	"
KLM P	F.140	10	7 B	1	11.80	—	—	"
KLM P	F.150	18	12	—	—	—	—	"
PHIL C	F.30	65	17.50	15	17.60	—	—	F.47.10
PHIL C	F.32.50	38	15	11	15	—	—	"
PHIL C	F.35	74	12.50	16	13	—	—	"
PHIL C	F.40	204	7.60	49	9.20	51	10.90	"
PHIL C	F.45	490	4	134	6	—	—	"
PHIL C	F.50	726	1.60	157	3.60	53	4.80	"
PHIL P	F.35	—	—	2	0.60	—	—	"
PHIL P	F.40	135	0.90	110	1.40	3	2	"
PHIL P	F.45	68	1.80	10	2.80	—	—	"
PHIL P	F.50	40	4.50	30	5.20	—	—	"
RD C	F.90	—	—	10	30.50 B	—	—	F.118.40
RD C	F.100	112	20	17	20.80	—	—	"
RD C	F.110	148	11.50	71	13	25	16	"
RD C	F.120	450	5	90	7.60	16	9.30	"
RD C	F.130	113	1.60	252	4.40	18	6.20	"
RD P	F.90	10	0.20	—	—	—	—	"
RD P	F.100	—	—	34	1.50	—	—	"
RD P	F.110	110	1.50	212	3.50	—	—	"
RD P	F.120	139	6	20	8.50	—	—	"
UNIL C	F.200	56	5	68	11.50 B	10	16	F.194.80
UNIL C	F.220	41	1.80 B	9	6.50	13	10	"
UNIL C	F.240	5	0.70 A	22	3	—	—	"
UNIL P	F.180	15	1.10	—	—	—	—	"
UNIL P	F.190	20	4	5	6.50	—	—	"
UNIL P	F.200	9	10	2	12.50	—	—	"
UNIL P	F.220	1	25	—	—	—	—	"
		Aug.		Nov.		Feb.		
12¾ NL 81 87-91								
C	F.120	250	4.50	—	—	—	—	F.124.40
C	F.122.50	250	2.50	—	—	—	—	"
C	F.125	15	1.50 A	—	—	—	—	"
C	F.127.50	68	1	5	2.50	—	—	"
C	F.130	48	0.70	51	1.30	—	—	"
C	F.135	—	—	16	0.80	—	—	"
P	F.120	1124	1.50	—	—	—	—	"
P	F.122.50	1220	2.50 B	—	—	—	—	"
P	F.125	79	4	—	—	—	—	"
P	F.127.50	13	5.50 B	10	5.30	—	—	"
P	F.130	30	7 B	85	8	—	—	"
P	F.135	—	—	1	12	—	—	"
7¾ NL 82 89-93								
C	F.97.50	600	0.80	—	—	—	—	F.95.40
P	F.97.50	600	3.10	—	—	—	—	"
7½ NL 83 87-90								
P	F.97.50	205	3	—	—	—	—	F.95.60

TOTAL VOLUME IN CONTRACTS : 18,834

A = Asked B = Bid C = Call P = Put

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
ØØ
Friday May 27 1983

How Po Valley farmers thrive, Page 35

WALL STREET

Funding by Treasury stalls rise

AN ATTEMPT by Wall Street share prices to extend the gains of the previous session was checked yesterday by a setback in fixed-interest markets when the U.S. Treasury brought forward its delayed funding plans, *writes Terry Byland in New York.*

Senate approval for an increase in the federal debt ceiling quickly brought a Treasury announcement of an auction within a few hours of $7.75bn in two-year notes, to be followed today by a sale of $6bn in 15-day bills.

Money market rates rose sharply after the funding announcement. Treasury bill yields added several basis points and prices in the bond market were marked down for a while. Share markets, which had edged higher at first, turned downwards.

By the end of the day, profit-taking in the market leaders had brought a fall of 5.52 points in the Dow Jones industrial average at 1,223.49. Turnover was a moderate 95.4m shares and support was maintained over the broad range of the market – reflected in a near balance of shares with gains, totalling 812, against the 815 showing falls.

There were some bright sectors, notably defence issues, which responded firmly to the Senate's approval for funding the MX missile.

Buying interest widened throughout the defence sector, putting a further $⅞ to $68½ on Litton Industries, $⅜ on Boeing at $40⅜, lifting Raytheon $1¾ to $52¾ and General Dynamics $1½ to $51½.

Also in demand again were the steel shares, which have returned to favour after lagging behind. Bethlehem Steel gained $¼ to $25⅜ and U.S. Steel $⅝ to $27¼. Shares in Kaiser Steel were suspended at $35⅞ after the announcement of resumed discussions with Mr Irwin Jacobs, whose private investment group wants to take over the company.

But small losses were recorded by leading stocks in recently-favoured sectors.

At $114½ – after $115⅜ – IBM was a net $1⅛ off by one stage.

The picture was the same throughout the motor, oil and railroad sectors. At $68⅛, GM had lost $¾ and Ford at $49⅛ gave up $⅞ of its recent gain. Chrysler weakened $½ to $27.

Further assessment of the prospect of a cigarette pricing war brought some switching out of shares in Philip Morris, which eased a further $⅞ to $58⅜. Philip Morris is striving hard to unseat R. J. Reynolds, number one in the U.S. market whose shares moved up $½ to $50½ yesterday.

The major institutions showed little interest in the credit markets. Treasury bill yields ended nine basis points or so up, with the three-month at 8.56 per cent and the six-month at 8.57 per cent.

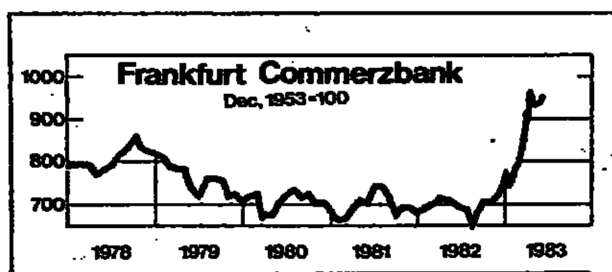
The longer end of the bond market proved unable to sustain an attempt to rally after the Treasury funding announcements. Dealers commented that there was little inclination to take up new investment positions ahead of the long holiday weekend.

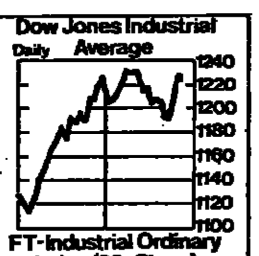
The benchmark long bond, the 10⅜ per cent of 2012, ended a half-point down at 96½.

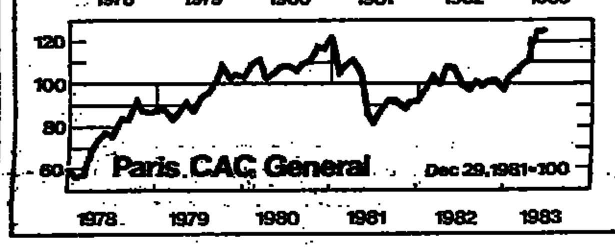
Municipal bonds eased by a half point or so, uneasily awaiting developments on the feared Washington public power supply default.

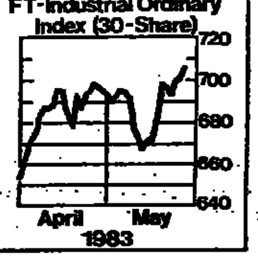
In **Toronto**, shares moved higher in an active day's trading. The advance was led by golds, metals, real estate and transportation issues. In **Montreal**, a broad advance was headed by industrials.

KEY MARKET MONITORS









STOCK MARKET INDICES

	May 26	Previous	Year ago
NEW YORK			
DJ Industrials	1223.49	1229.01	828.77
DJ Transport	554.82	558.58	325.17
DJ Utilities	130.26	130.63	112.76
S&P Composite	165.48	166.21	113.11
LONDON			
FT Ind Ord	706.2	700.6	584.3
FT-A All-share	433.47	428.49	334.23
FT-A 500	471.05	465.16	365.70
FT-A Ind	434.08	428.13	331.25
FT Gold mines	631.0	638.3	230.3
FT Govt secs	82.09	81.62	69.01
TOKYO			
Nikkei-Dow	8626.00	8582.34	7449.92
Tokyo SE	636.86	633.18	554.14
AUSTRALIA			
All Ord.	619.9	614.6	510.3
Metals & Mins.	556.8	551.1	374.0
AUSTRIA			
Credit Aktien	57.96	57.89	51.96
BELGIUM			
Belgian SE	120.09	121.88	91.87
CANADA			
Toronto Composite	2445.10	2434.04	1503.00
Montreal			
Industrials	422.51	419.37	275.08
Combined	404.56	401.72	259.13
DENMARK			
Copenhagen SE	142.56	140.79	90.96
FRANCE			
CAC Gen	126.80	125.80	108.50
Ind. Tendance	130.10	129.50	120.50
WEST GERMANY			
FAZ-Aktien	311.00	313.16	230.30
Commerzbank	927.80	934.70	703.50
HONG KONG			
Hang Seng	908.45	887.86	1413.47
ITALY			
Banca Comm.	190.91	190.65	176.19
NETHERLANDS			
ANP-CBS Gen	126.00	126.20	92.80
ANP-CBS Ind	102.30	103.10	72.50
NORWAY			
Oslo SE	187.06	188.93	112.33
SINGAPORE			
Straits Times	935.25	935.04	766.33
SOUTH AFRICA			
Golds	n/a	910.7	414.1
Industrials	n/a	952.2	543.7
SPAIN			
Madrid SE	117.30	116.95	119.99
SWEDEN			
J & P	1429.70	1435.81	590.30
SWITZERLAND			
Swiss Bank Corp	324.90	324.10	253.10
WORLD	May 25	Prev	Yr ago
Capital Int'l	178.20	177.30	135.20

GOLD (per ounce)

	May 26	Prev
London	$440.00	$440.75
Frankfurt	$440.00	$442.00
Zürich	$439.50	$442.50
Paris (fixing)	$444.30	$439.21
New York (June)	$437.30	$440.10

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR May 26	U.S. DOLLAR Previous	STERLING May 26	STERLING Previous
£	1.6000	1.5855	–	–
DM	2.4950	2.4900	3.9950	3.9500
Yen	236.55	236.40	378.75	375.00
FFr	7.4835	7.4710	11.9725	11.8450
SwFr	2.0740	2.0725	3.3200	3.2900
Guilder	2.8070	2.7980	4.4925	4.4400
Lira	1481.75	1478.00	2370.50	2343.00
BFr	49.82	49.67	79.72	78.75
C$	1.23275	1.23225	1.9720	1.9535

INTEREST RATES

	May 26	Prev
Euro-currencies (three month offered rate)		
£	10⅛	10 7/16
SwFr	5	5
DM	5 5/16	5 5/16
FFr	13¼	13½
FT London interbank fixing (offered rate)		
3-month U.S.$	9⅝	9 9/16
6-month U.S.$	9 9/16	9½
U.S. Fed Funds	8⅝	8¾
U.S. 3-month CDs	8.90	8.85
U.S. 3-month T-bills	8.53	8.47

U.S. Treasury Bonds

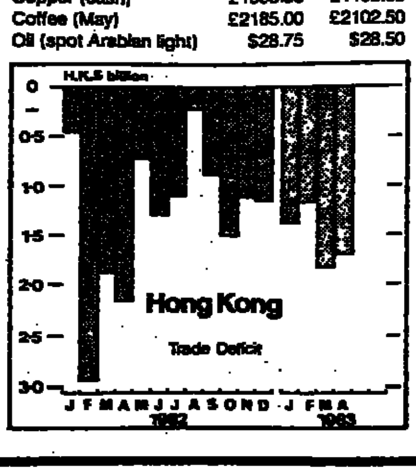
	May 26 Price	May 26 Yield	Prev Price	Prev Yield
9½ 1985	99 14/32	9.82	99 19/32	9.73
10½ 1990	99 21/32	10.57	99 28/32	10.51
10¾ 1993	97	10.62	97 19/32	10.57
10⅜ 2012	96 17/32	10.76	97	10.71

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	75–29	76–12	75–25	76–08
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.40	91.44	91.36	91.45
Cert Deposit (IMM) $1m points of 100%				
June	90.97	91.03	90.93	91.05
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.78	90.79	90.75	90.88
20-year Notional Gilt £50,000 32nds of 100%				
June	105–29	106–08	105–26	105–17

LONDON COMMODITY MARKETS

	May 26	Prev
Silver (spot fixing)	836.20p	840.30p
Copper (cash)	£1096.50	£1103.00
Coffee (May)	£2185.00	£2102.50
Oil (spot Arabian light)	$28.75	$28.50



LONDON

Trio take advance a step further

FURTHER encouraging trading statements from leading UK groups yesterday boosted sentiment throughout London equity markets. The FT Industrial Ordinary share index penetrated deeper into 700 territory as institutional and smaller investors alike warmed to bumper interim or preliminary profits announced either yesterday or on Wednesday by a trio of index constituents.

Sparkling results and a scrip issue to be followed by a proposed share split ensured Plessey of a leading role, adding 25p to 680p after 700p. But further consideration of Boots' and Tate & Lyle's good figures made for fresh strength in both. Yesterday's gains in these accounted for nearly three points of the closing index rise of 5.6 at a record 706.2

Boots advanced 15p to 270p and Tate & Lyle 10p to 368p.

Investment interest focused on the three stocks and their respective sectors – electricals, retailers and foods – to the detriment of other leading issues, many of which tended to ease late on incoming Wall Street advices. Financials, however, became more prominent under the lead of the big four banks.

Speculative activity continued to feature many areas of the equity market, but failed to embrace recent star performers P & O, which shed 6p to 208p, and Dunlop, off 3p to 67p.

Government stocks stormed ahead again in the wake of sterling, above $1.60 for the first time since early January. The accent rested solely on the untapped longer end of the market where selected high-coupon issues jumped 1½ points before softening to close around a point up on balance.

Gains tapered off to minimal amounts, and even losses, among the shorts, currently unfashionable because of a persisting paucity of building society and other specialist funds. Index-linked gilts remained generally weak.

South African golds lost further ground in fairly subdued trading as bullion failed to extend its recent advance. Randfontein was finally £5⅝ easier at £105½ ahead of news of major mining development of the area adjacent to the company's Cooke section, a development which also includes South Roodepoort, unchanged at 280p; "Johnnies," £2 off at £94; Anglovaal, unaltered at £44; Middle Wits, similarly unchanged at £12½; and New Wits, 5p cheaper at 627p.

Share information service, Pages 36–37

AUSTRALIA

High for year

SHARES extended the gains of the previous two days in Sydney.The All Ordinaries index peaked at 621.1 before closing easier, though still at a record for the year, of 619.9, compared with Wednesday's 614.6.

The All Resources index added 6.1 to a 1983 high of 504.6 and the All Industrials average ended 4.3 ahead at 762.8.

Turnover was heavy, totalling A$21.89m in Sydney and A$18.05m in **Melbourne**, with advances outnumbering declines in both centres by about two to one.

The largest gains were posted by mining and oil and gas stocks. Ashton ended 11 cents higher at A$1.72, BHP 10 cents at A$8.50, MIM 5 cents at A$4.65, North Broken Hill 5 cents at A$2.95, CSR 4 cents at A$3.82 and Western Mining 3 cents at A$4.88. Gold stocks also advanced strongly after overnight gains in bullion prices.

SOUTH AFRICA

Golds lower

SOME frustration at bullion's inability to breach $445 left golds generally lower in **Johannesburg**, following an afternoon dip in fairly quiet trading.

Among the heavyweight producers, president Steyn lost R2.50 to R56.50, Kloof R1.50 to R55 and Randfontein R1 to R181.

In platinums, Rustenburg firmed 40 cents to a year's high of R10.90 but De Beers shed two cents R 9.65. Industrials were mixed.

FAR EAST

Blue chips lead Tokyo gains

STRONG gains were recorded among shares in Tokyo and Hong Kong after Wall Street's overnight performance, but Singapore proved only marginally firmer.

Blue chips and international populars again led the way in **Tokyo**. The Nikkei Dow index added 43.66 to close at 8,626 on volume of 380m shares, while the Tokyo SE index ended 3.68 up at 636.86.

Companies reporting good results surged while foreign investors provided demand for big capital issues and populars.

Sharp added Y70 to Y1,340 after announcing plans to increase its dividend in the current year. TDK closed up Y160 at Y4,960, Sony Y30 at Y3,600, Matsushita Electric Y20 at Y1,500 and Hitachi Y12 at Y795.

Foreign demand boosted Nippon Steel Y2 to Y168 while signs of a business recovery helped oil issues, with Nenryo up Y32 at Y960 and Maruzen Oil Y26 ahead at Y377.

Other major gains were posted by Cannon, up Y40 at Y1,380, Ricoh Y39 at Y824 and Kyocera Y80 at Y6,200.

The second market closed higher on volume of 15.5m shares. Meanwhile, prices were steady to slightly higher on the Government bond market.

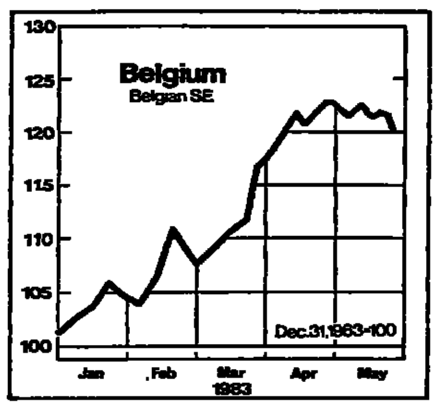
A rebound by the local currency – to a late 7.035 in terms of the U.S. dollar from an earlier 7.1 – provided the stimulus for shares in **Hong Kong**: The Hang Seng index added 20.59 to close at 908.45.

An increased volume mainly reflected shortcovering and local bargain hunting. However, the undertone remains weak as a result of continuing uncertainty over the near-term movement of the HK dollar and concern over higher interest rates.

Among the leaders, Cheung Kong gained 15 cents to HK$7.60, Hongkong Bank 20 cents to HK$7.85; Hongkong Electric 15 cents to HK$5.25, Hongkong Land 7.5 cents to HK$3.70 and Hongkong Wharf 15 cents to HK$3.675.

Hutchinson Whampoa added 20 cents to HK$11.20, Jardine Matheson 30 cents to 12.60 and Swire Pacific "A" 20 cents to HK$11.70. Second and third line stocks were also mostly higher, in line with the blue chips.

Singapore saw a firm opening with selective, moderate trading, but subsequent profit taking only enabled shares to end slightly higher on the day. The Straits Times industrial index added just 0.21 to 993.25, with participants reluctant to take new positions ahead of a three day holiday weekend.



EUROPE

Corporate cloud over Frankfurt

POOR corporate results from Mannesmann and Preussag brought about a midsession reversal after a mainly firmer opening in **Frankfurt**. By the close losses of several marks were recorded against a broad range of shares.

Trading remained thin in the absence of foreign investors and the Commerzbank index echoed the weaker trend, falling 6.9 to 927.8.

Mannesmann led the decline, shedding DM 8.70 to DM 153.80 after announcing a 21 per cent decline in first-quarter sales.

Preussag slipped DM 1.50 to DM 259 after announcing that its world and domestic group profits fell in 1982 and saying it expects 1983 profit to match the lower levels.

Banks were generally lower with Deutsche down DM 5 at DM 322, after an early DM 327.80, Dresdner DM 3.20 at DM 181.80 after DM 185, Bayernverein DM 5 at DM 338 after DM 344, and Bayernhypo DM 1.50 at DM 311 after DM 312.80. Commerzbank edged 10pfg higher at DM 178.80 though this was well below an early high of DM 181.50.

Domestic bonds fell in official trading. Turnover continued to be minimal with investors sidelined by the pessimistic outlook for interest rate cuts and the higher dollar.

Shares were mixed in **Amsterdam** with no major movements, despite Wall Street's overnight strength. Akzo led declines in Dutch internationals, falling Fl 1.50 to Fl 58.50. Royal Dutch was down 80 cents at Fl 118.80.

Unilever reversed an early loss to end 60 cents higher on the day at Fl 195. KLM declined 50 cents to Fl 142.50 but Philips was unchanged at Fl 47.20.

Dutch bonds showed little change in light trading.

Paris ended mixed though with a firmer bias. Among motors, however, Valeo declined FFr 16 to FFr 309 after reporting a consolidated net profit of FFr 68.6m for 1982 after a loss the previous year. Peugeot eased FFr 3.8 to FFr 183.2.

Rubbers, banks, stores and foods were higher but hotels were mixed with Jacques Borel 20 centimes ahead at FFr 155 after announcing with Novotel that their merged group, to be called Accor, will show a rise in 1983 group net profit.

Shares ended steady in **Zurich** in moderate trading. The underlying trend continued firm as the overnight gains in New York offset the negative influences of higher domestic interest rates.

Financials performed slightly better than the rest of the market with Hasler another SwFr 80 ahead at SwFr 2,250 on continued speculative demand.

Brussels saw prices higher in lively trading and the All Shares index rose 2.46 to 309.77, though the Belgian shares index declined slightly to 120.09 from 121.88, due to coupon payments.

Madrid was slightly ahead though trading was quiet. The market leader, Telefonica continued to underpin the firmer tone.

In **Milan**, prices were mixed though there was a near total lack of investor interest in trading, but in **Stockholm**, shares ended lower after a heavy day's trade.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22⅝	5⅝	AAV	.32	1.5	16	19	21⅛	21¼	21¼	−⅛
4⅛	2¼	AlCPh				23	4⅛	4	4¼	+¼
6⅞	1	ATI				219	3¼	3⅛	3½	−⅛
12⅝	2	AcmePr				70	7⅞	7¼	7⅞	+¼
24⅞	12⅝	AcmeU	.40	1.7	20	5	23¼	23⅛	23⅛	
32⅞	2¾	Action			7	64	32½	32	32⅞	−¼
6⅞	5⅞	Actons	.10t	1.1	45	574	9⅞	7⅞	9	+⅞
3¼	⅞	Adm	wt			111	2⅞	2	2⅞	+½
8	1¼	AdmRs	.10	1.9		86	5½	5⅞	5⅞	−⅛
27⅞	12	AdRust	s .10	.3	29	118	u28⅞	27⅞	28⅞	+1¼
22¼	11⅞	Adobe	.20	1.0	14	113	21⅛	20⅞	20½	−¼
3⅞	2	AegisCp			13	207	3⅛	3½	3⅞	−⅛
22¼	9⅛	Aerofx	1.55t	6.7	20	186	u23¼	23	23¼	+½
7	2½	Aeronca			12	69	6½	6⅞	6⅞	
29½	9⅞	AffHsp	.36	1.2	13	7	u30	29⅞	29⅞	+⅞
45	19⅞	AlliPb	a .64	1.4	21	26	44⅛	43⅞	44⅞	+⅛
12⅞	3⅞	AirSix			10	124	12⅞	11⅞	12¼	−⅛
15½	4⅞	AirExp				372	15¼	14⅞	15⅞	
20⅞	3⅞	AlbaW	.15e	.7	22	105	u21	20	21	+1⅛
10⅞	5¼	AlohaA			7	47	8¼	8½	8½	
24⅞	10⅞	Alphal	s		29	392	22⅞	21⅞	22	
15⅞	7¼	Alpnlt	.40	2.6	9	1	15⅞	15⅞	15⅞	+⅛
1⅞	½	Altec				615	u1½	1⅞	1½	+⅛
8⅞	4⅞	Altec	pf			3	u8½	8½	8½	+¼
2¼	1⅛	Altex				253	2⅞	2½	2⅞	+⅛
9-16	1-16	Altex	wt			67	9-16	½	9-16	
37	25½	Alcoa	pf3.75	11		z750	35½	34⅞	34½	−1
52⅞	17⅞	Amdhl	.40	.8	16	844	u53⅞	52⅞	52⅞	
28⅞	8⅞	Amdnt	wi			70	u27	26¼	26½	
45⅞	6¼	Amedc	s .12	.3	30	34	45⅞	44¼	44⅞	−⅛
6	3½	ABrit	n .15	2.8	9	15	5⅞	5¼	5¼	
5	⅞	AmCap				27	4½	4⅞	4¼	−⅛
32	17⅞	AContrl	.80	2.5	8	5	u32⅞	32⅞	32⅞	+⅛
41½	8⅞	AExp	wt			254	u42⅞	41⅞	41⅞	+¼
15½	5¼	Aisrael			4	82	9	8½	8⅞	+⅛

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15	4¼	Vendo			25	137	12⅞	11⅞	12½	+⅞
11½	8⅞	VestSe	1.24	12		40	10⅞	10½	10⅞	+¼
38¼	17¼	Viacom	.35	1.0	18	1521	36	35⅞	35⅞	+⅛
45½	25¼	Vicm	pf2.10	4.7		6	u45¼	44¼	44¼	−1¼
66	48	VaEP	pf7.72	12.		z100	62½	62½	62½	−½
78	52½	VaEl	pf8.60	11.		z70	77	77	77	
81	61	VaEP	pf9.75	13.		z140	78	78	78	+¼
25	19⅞	VaEP	pf2.90	12.		4	24⅞	24⅞	24⅞	
62	45½	VaEP	pf7.20	12.		z400	60	60	60	
64¼	47	VaEP	pf7.45	12		z200	63	61½	61½	−1¼
24⅞	13¼	Vornad			27	189	23⅞	22⅞	23⅞	+⅞
15⅞	7½	Vulcinc				36	10⅞	10	10⅞	
65	38¼	VulcnM	2.44	3.8	17	19	64⅞	64⅞	64½	+⅛
		W–W–W								
20⅞	15¼	WICOR	2.14	11.	10	34	19⅞	19⅞	19¼	−⅞

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

GERMANY

SPAIN

HONG KONG

SWEDEN

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

SINGAPORE

JAPAN

SOUTH AFRICA

ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
Belhaven Brewery	32	+ 8
Boots	270	+15
British Printing	101	+ 6
Intasun	138	+11
London & Liverpool	135	+ 6
Plessey	680	+25
Prudential	402	+10
Rustenburg Plat.	650	+35
Sunbeam Wolsey	38	+13½
Tate & Lyle	368	+10
Tesco	134	+ 6
Unigate	101	+ 6

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
BAT Inds.	26	567	−43
Lond & Liverpl	24	129	− 6
Boots	22	255	+26
Tilling (T.)	17	225	—
Racal Elect.	16	493	+ 3
Glaxo	14	845	− 1
Arlen Elect.	13	308	− 2
Bass	11	320	+13
Charter Cons.	11	277	+14
Dunlop	11	70	− 6
Sainsbury (J.)	11	385	−13
Sound Diffusn.	11	208	− 8
Tate & Lyle	11	358	+ 8
Unilever	11	695	—

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (102)

BRITISH FUNDS (20)
INT. BANK & O'SEAS GOVT. STLG. ISSUES (1)
CORPORATION LOANS (1)
AMERICANS (7)
CANADIANS (1)
BANKS (3)
BREWERS (2)
BUILDINGS (2)
CHEMICALS (1)
DRAPERY AND STORES (3)
ELECTRICALS (8)
ENGINEERING (11)
FOODS (2)
INDUSTRIALS (8)
INSURANCE (1)
LEISURE (1)
MOTORS (2)
NEWSPAPERS (4)
PROPERTY (2)
SHIPPING (1)
TEXTILES (1)
TRUSTS (13)
OIL AND GAS (5)
MINES (2)

NEW LOWS (20)

BRITISH FUNDS (6)
Treas. 2pc I.L. 1988 — Treas. 2pc I.L. 2006
Do. 2pc I.L. 1996 — Do. 2½pc I.L. 2009
Do. 2½pc I.L. 2001 — Do. 2½pc I.L. 2011
Do. 2½pc 2003 — Do. 2½pc I.L. 2016
ELECTRICALS (2)
Black (Michael) — Western Select
ENGINEERING (2)
Weir Group — Weir 10pc Cnv. Pref.
INDUSTRIALS (4)
Havters — Polymark
Pentlow — Transcont. Services
INSURANCE (1)
Ins. Corp. of Ireland
PAPER (1)
Smith (David)
PROPERTY (1)
Sarakreek
TRUSTS (1)
Gresham Invs.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 16	May 27	Aug 11	Aug 22
May 31	June 10	Sept 1	Sept 12
June 13	June 24	Sept 15	Sept 26

For rate indications see end of Share Information Service

Money was given for the call in Inter-City, London and Liverpool, Haoma Gold, Sekers, Debenhams, Town and City Properties, Ocean Transport, Reardon Smith A, C. H. Bailey, W. E. Norton, J. Hepworth, Scottish and Newcastle, KCA *International*, Boots and Chloride. No puts were reported but doubles were struck in Inter-City, Haoma Gold, Tozer Kemsley and Millbourn, French Kier and Automotive Products.

RISES AND FALLS

	Rises	Falls	Same
British Funds	67	18	14
Corpns. Dom. and Foreign Bonds	19	1	58
Industrials	338	154	849
Financial and Prop.	121	66	342
Oils	35	16	60
Plantations	3	11	8
Mines	29	51	76
Others	55	59	71

FINANCIAL TIMES STOCK INDICES

	May 26	May 25	May 24	May 23	May 20	May 19	year ago
Government Secs.	82.09	81.62	80.80	80.54	80.57	80.67	59.01
Fixed Interest	83.79	83.38	82.96	83.00	82.87	82.96	69.65
Industrial Ord.	706.2	700.6	699.8	692.4	695.2	696.4	584.3
Gold Mines	651.0	638.3	642.5	636.5	665.5	680.8	230.3
Ord. Div. Yield	4.57	4.61	4.60	4.64	4.56	4.52	6.40
Earnings, Yld.% (full)	8.90	8.90	8.93	9.02	8.96	8.88	11.14
P/E Ratio (net) (*)	13.93	†13.94	†13.89	13.75	13.85	13.98	10.95
Total bargains	20,058	18,112	18,059	17,343	20,070	18,107	14,094
Equity turnover £m.	—	223.80	208.77	169.96	299.54	281.87	109.25
Equity bargains	—	16,757	17,096	17,049	20,395	19,223	10,431
Shares traded (ml)	—	137.4	136.6	124.1	194.0	173.7	81.8

10 am 702.3. 11 am 703.1. Noon 703.9. 1 pm 707.4. 2 pm 706.6. 3 pm 706.8.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 13.06.

†Correction.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	706.2 (26/5)	598.4 (12/1)	706.2 (26/5/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (28/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	May 25	May 24
—Daily		
Gilt Edged Bargains	178.6	151.8
Equities Bargains	108.6	110.8
Value	453.3	482.0
5-day Avrge		
Gilt-Edged Bargains	145.8	138.2
Equities Bargains	117.3	116.6
Value	478.6	479.4

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Thur May 26 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed May 25 Index No.	Tues May 24 Index No.	Mon May 23 Index No.	Fri May 20 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	476.42	+2.0	8.36	3.64	15.33	467.08	464.99	461.53	462.18	393.35
2	Building Materials (23)	429.11	+0.6	9.58	4.61	13.20	426.42	424.53	422.65	424.88	338.35
3	Contracting, Construction (30)	756.87	+0.5	11.70	4.51	10.57	753.18	746.13	742.81	747.81	615.64
4	Electricals (33)	1847.80	+3.8	6.74	1.98	18.99	1779.90	1769.98	1758.77	1741.66	1441.71
5	Engineering, Contractors (10)	501.48	+3.4	14.76	6.24	8.34	484.79	487.66	485.14	489.67	488.12
6	Mechanical Engineering (64)	215.00	+0.6	11.29	5.39	11.04	213.78	213.44	211.58	213.02	206.93
8	Metals and Metal Forming (11)	179.25	−0.3	9.92	6.52	12.38	179.79	180.86	178.45	179.25	169.65
9	Motors (18)	102.77	+0.2	1.36	5.24	—	102.52	103.88	104.49	104.60	94.37
10	Other Industrial Materials (17)	457.62	+0.3	4.95	4.91	18.92	456.43	456.16	452.11	456.60	365.22
21	CONSUMER GROUP (201)	425.98	+1.2	10.20	4.35	11.94	421.12	420.41	415.94	419.00	318.08
22	Brewers and Distillers (23)	459.86	+0.3	11.76	4.74	10.47	458.59	454.28	451.23	452.06	316.52
25	Food Manufacturing (21)	322.06	+0.6	14.03	6.02	8.35	320.22	319.62	318.68	321.34	267.74
26	Food Retailing (14)	885.73	+1.7	7.38	2.88	17.45	870.69	873.11	856.67	852.30	630.35
27	Health and Household Products (8)	823.02	+1.1	5.20	2.29	22.86	813.76	811.50	802.40	817.44	646.53
29	Leisure (24)	540.00	+1.2	7.28	4.49	18.25	533.55	531.87	528.05	527.85	439.39
32	Newspapers, Publishing (14)	845.53	+2.3	9.97	3.85	12.15	826.80	822.85	800.66	792.52	525.19
33	Packaging and Paper (14)	159.23	+2.2	12.78	6.22	9.25	155.81	155.29	153.83	155.85	148.95
34	Stores (48)	379.63	+1.8	8.20	3.85	16.28	372.95	367.84	364.59	367.13	283.66
35	Textiles (22)	201.56	+0.7	12.40	5.71	9.73	200.11	198.41	196.85	200.92	173.09
36	Tobaccos (3)	417.48	+1.1	23.00	7.40	4.86	412.75	434.39	423.94	430.82	334.50
39	Other Consumer (10)	385.66	+0.2	6.44	3.75	—	384.79	381.64	377.98	378.49	285.82
41	OTHER GROUPS (79)	349.55	+0.8	8.09	4.72	25.54	346.92	345.82	342.15	343.52	257.80
42	Chemicals (15)	480.40	+0.1	8.61	5.05	15.80	480.10	480.88	473.53	478.64	339.61
44	Office Equipment (6)	99.65	+1.9	8.59	5.65	14.98	97.78	97.25	96.50	97.69	112.46
45	Shipping and Transport (14)	719.81	−0.5	8.10	5.54	16.12	723.20	722.98	723.79	715.91	564.07
46	Miscellaneous (44)	465.44	+1.6	8.10	4.10	15.23	458.13	451.96	450.02	450.38	334.37
49	INDUSTRIAL GROUP (486)	434.88	+1.4	9.27	4.15	13.41	428.13	426.76	422.84	424.92	331.25
51	Oils (14)	877.18	+0.6	12.64	6.66	9.61	871.81	874.63	856.06	858.62	754.07
59	500 SHARE INDEX	471.05	+1.3	9.80	4.55	12.61	465.16	464.16	458.99	461.11	365.70
61	FINANCIAL GROUP (121)	320.74	+1.2	—	5.82	—	316.89	314.61	312.04	313.60	246.83
62	Banks (6)	360.18	+2.8	24.57	6.87	4.53	350.47	347.23	340.50	339.10	265.30
63	Discount Houses (8)	295.66	+1.5	—	9.16	—	291.22	290.92	288.50	286.59	234.41
65	Insurance (Life) (9)	407.94	+1.7	—	5.34	—	401.21	391.96	390.60	391.62	250.40
66	Insurance (Composite) (10)	208.90	+0.5	—	7.19	—	207.92	207.72	207.40	210.36	151.90
67	Insurance Brokers (7)	562.13	+0.1	11.80	5.28	11.63	561.31	555.62	553.27	558.04	489.62
68	Merchant Banks (13)	166.49	+1.0	—	5.22	—	164.87	162.88	161.47	161.42	144.66
69	Property (54)	468.54	+0.5	5.75	3.08	23.18	466.32	465.78	462.22	466.96	422.52
70	Other Financial (14)	242.51	+0.3	10.91	5.50	11.10	241.70	242.00	240.64	240.83	173.78
71	Investment Trusts (109)	414.95	+0.2	—	4.21	—	414.19	401.32	408.50	411.69	302.39
81	Mining Finance (4)	290.91	+0.1	6.88	4.88	19.02	290.62	289.22	286.24	292.74	203.32
91	Overseas Traders (16)	444.31	+0.5	9.51	8.21	14.82	442.15	438.52	434.83	440.82	363.40
99	ALL-SHARE INDEX (750)	433.47	+1.2	—	4.78	—	428.49	427.04	422.62	424.88	334.23

FIXED INTEREST

	PRICE INDICES	Thur May 26	Day's change %	Wed May 25	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.26	+0.01	117.25	—	4.62
2	5-15 years	131.41	+0.37	130.93	—	4.91
3	Over 15 years	141.56	+0.76	140.50	—	4.93
4	Irredeemables	149.34	+0.96	147.92	—	6.07
5	All Stocks	129.84	+0.37	129.37	—	4.84
6	Debentures and Loans	103.53	+0.19	103.34	—	4.53
7	Preference	81.30	+0.32	81.16	0.13	2.80

	AVERAGE GROSS REDEMPTION YIELDS		Thur May 26	Wed May 25	Year ago (approx.)
	British Government				
1	Low	5 years	9.46	9.49	11.46
2	Coupons	15 years	10.03	10.10	12.68
3		25 years	9.79	9.89	12.71
4	Medium	5 years	11.19	11.20	13.88
5	Coupons	15 years	10.79	10.88	13.77
6		25 years	10.20	10.30	13.25
7	High	5 years	11.29	11.27	13.82
8	Coupons	15 years	10.98	11.06	13.90
9		25 years	10.36	10.45	13.31
10	Irredeemables †		9.82	9.91	12.32
11	Debs & Loans	5 years	12.08	12.15	14.70
12		15 years	12.08	12.10	14.66
13		25 years	12.08	12.10	14.63
14	Preference †		12.17	12.21	15.28

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

*Corrected figures for May 24 1983

NEW YORK AND CANADA

Indices

NEW YORK-DOW JONES

	May 26	May 25	May 24	May 23	May 20	May 19	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1223.49	1229.01	1219.04	1200.56	-	1181.37	1232.59 (6/5)	1027.04 (3/1)	1232.59 (6/5/83)	41.22 (2/7/32)
Transport	554.82	558.58	555.23	548.77	-	538.07	558.58 (25/5)	434.24 (3/1)	558.58 (25/5/83)	12.23 (8/7/32)
Utilities	138.26	138.63	138.86	127.81	128.88	128.74	138.86 (25/5)	119.48 (3/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's	8540	21050	18884	8535	-	8329	-	-	-	-

	May 20	May 13	May 6	(Year Ago Approx)
Ind div yield %	4.59	4.48	4.44	6.78

STANDARD AND POORS

	May 26	May 25	May 24	May 23	May 20	May 19	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	185.81	186.52	185.72	183.42	181.78	181.59	186.52 (25/5)	154.95 (3/1)	186.52 (25/5/83)	3.52 (30/6/32)
Composite	165.48	166.21	165.54	163.43	162.14	161.99	166.21 (25/5)	138.34 (3/1)	166.21 (25/5/83)	4.4 (1/6/32)

	May 18	May 11	May 4	Year Ago (Approx)
Ind div yield %	3.89	3.95	3.99	5.72
Ind. P/E Ratio	13.85	13.89	13.85	7.74
Long Gov Bond Yield	10.54	10.24	10.18	12.87

N.Y.S.E. ALL COMMON

May 26	May 25	May 24	May 23	1983 High	1983 Low
95.88	96.01	95.58	94.38	442.82	78.78

RISES AND FALLS

	May 26	May 25	May 24
Issues traded	1975	1980	1978
Rises	800	968	181

MONTREAL

TORONTO

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

NEW YORK

Continued from Page 33

COMMODITIES AND AGRICULTURE

Potato price rise fears played down

By Richard Mooney

POTATO wholesalers and retailers should be able to absorb a large part of the producer price rise expected to be caused next season by this year's exceptionally wet spring, Mr Robin Pooley, chief executive of the Potato Marketing Board, said in London yesterday.

This year's depresesd farm-gate prices had not been fully reflected in the shops because wholesale and retail margins had widened, he said. If lower supplies boosted farmers' prices next season, distributors should be able to reduce the impact by cutting margins.

Planting delays caused by the persistent rain have forced up distant positions on the London futures market and yesterday April 1984 delivery potatoes closed at £133 a tonne against £98.80 for November 1983.

The bad weather has tended to hold down current prices as farm labourers, unable to get on with planting, have concentrated on preparing previously harvested supplies for the market. The Potato Marketing Board calculated the average producer price last week at £53.15 a tonne.

This week's dry spell has allowed planting to get into full swing again. Mr Geoffrey Grantham, the board's chairman, estimated yesterday that plantings had reached about 120,000 hectares, up from 102,000 at the end of last week. But plantings, normally complete by now, are still well short of the 161,255 hectares target.

There would be no potato "famine" next year, Mr Grantham declared. It was far too early to talk of a shortage of enormous dimensions. But he accepted that prices would be higher than this year.

He thought the futures market had overreacted but did not think this raised any doubts about its value. "The futures market has its place as a useful adjunct to (physical) trading."

N. Sea herring ban lifted

BY LARRY KLINGER IN BRUSSELS

HERRING fishing will reopen tomorrow in the northern and central North Sea where it has been banned for near six years to replenish seriously depleted stocks.

Yesterday's decision by the EEC member states allows for the Netherlands to take 3,000 tonnes in the area from this weekend and for Britain to take a further 3,000 tonnes from next Wednesday.

The lifting of the ban was taken on the advice of the European Commission which says latest scientific evidence shows that up to 62,000 tonnes can be safely caught in the area this year.

However, the Commission also says that in the southern North Sea, where herring fishing had been allowed to continue, this year's quota will have to be reduced to 36,000 tonnes from last year's 68,000.

This year's full EEC herring share-out will not take place until the Council of Fisheries Ministers, now due to meet on June 20-21, decides on the Community-wide total allowable catch for 1983 and the percentage quota for the main fishing nations under the Common Fisheries Policy

Yesterday's interim decision, taken early at the request of the Netherlands to enable its fishermen to start their traditional spring festival catch of young herring, also provides for a 3,000-tonne catch from next Wednesday to be shared equally by West Germany, France and Denmark.

The move was warmly welcomed by the British authorities, who feared that initial strong Danish opposition to the interim measures might involve the UK Government in an EEC fishing quarrel while it was making a concerted bid for the fishing industry vote before next month's General Election.

Tin surplus troubles Malaysians

BY WONG SULONG IN KUALA LUMPUR

THE PROBLEM of tin surpluses in a depressed market dominated the annual meeting of the Malaysian Chamber of Mines in Kuala Lumpur yesterday.

Datuk Paul Leong, Minister for Primary Industries, expressed his concern at the widespread violation of export control measures.

The meeting was also told that last year the Malaysian tin mining industry lost more than 6,790 jobs—20 per cent of the industry's workforce—through closures of mines made unprofitable by depressed prices and export controls.

Datuk Leong said between last November and March this year there would have been a deficit of 15,000 tonnes of tin had the 36 per cent export control imposed by the International Tin Council been strictly adhered.

Instead there was a surplus of 10,000 tonnes, indicating that South East Asian miners and others had been circumventing export controls in a big way.

He said the Malaysian Government would take action against any of its miners found violating export controls, and called on other producing and exporting countries to make sure export controls work.

The favourite methods of circumventing such controls are by smuggling tin to Singapore or by falsely declaring that the tin ore originates from other countries and has been brought in for smelting.

Malaysia, Indonesia and Thailand, which account for 65 per cent of the world's tin exports, are members of the ITC. Burma and Laos are not members and are therefore not subject to export controls.

Fresh upsurge on cocoa market

BY OUR COMMODITIES STAFF

THE COCOA price pendulum swung upwards against yesterday with the July position on the London futures market ending £58 higher at a three-year high of £1,449.5 a tonne.

Dealers attributed the advance to renewed concern over West African crop prospects and rumours that Ghana and the Ivory Coast had suspended contracted shipments for an indefinite period.

But meanwhile, London merchants Gill & Duffus released a new report giving a distinctly bearish view of the future supply/demand balance.

While increasing its estimate of the 1982/83 deficit from 54,000 to 60,000 tonnes Gill & Duffus said that in 1983-84 a production surplus was more likely than a deficit.

The forecast 1982/83 deficit, which would reduce world stocks to around 614,000 tonnes, is probably rather smaller than most dealers would have expected in view of the recent problems in major growing areas, and could therefore be bearish in itself.

Possible crop reductions in Ghana and Nigeria are expected to be offset by recoveries in Malaysia and Ecuador, while the outlook is for bigger crops in Brazil and the Ivory Coast, the world's two biggest cocoa producers.

Poland proposes new farm prices

POLAND'S authorities have proposed new prices for farm produce which would favour wheat and grains rather than animal production.

Grain prices would rise by an average of 28 per cent from July 1 and wheat would rise by 39 per cent. The price for pig meat is expected to rise by 7 per cent, beef by 9 per cent and milk by 6 per cent.

Last year, when Poland was still able to import grain on credit, purchases abroad fell from 8m tonnes the year before to 5m tonnes.

This yar, with no credits available, grain imports in the first quarter have fallen by another 20 per cent compared with the same period last year. Wheat imports are down by 150,000 tonnes to 624,000 tonnes.

● COLORADO beetle pest is spreading from southern Poland to northern Czechoslovakia, threatening potato and other crops. The Czechoslovak youth newspaper Mlada Fronta said yesterday that the two northern Moravian districts of Frydek-Mistek and Karvina were affected by an invasion, with farmers counting between 5,000 and 20,000 bettles a hectare.

● TIMBER harvested by the Forestry Commission increased by 11 per cent in 1981-82, according to the commission's annual report published yesterday. But income was almost £2m down on the previous year and the commission cost the taxpayer £58.5m during the year.

● TAIWAN'S maize importers' joint committee said it bought 3.2m tonnes of maize from the U.S. through nine tenders between January and May this year for deliveries up to December. This was 300,000 tonnes above the target of 2.9m tonnes for the whole year. Imports in 1982 were 2.7m tonnes but may reach 3.4m tonnes this year.

FARMER'S VIEWPOINT

Po Valley thrives on natural cycle

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I HAVE JUST spent an ideal busman's holiday looking at farming in the Po Valley of northern Italy.

At first glance the arable farming looks no more than moderate. Many of the green crops are full of weeds, and show evidence of diseases unchecked by chemicals so readily used in northern countries.

But cereals do not seem to be the main priority here, for although no cattle are to be seen in the fields, there are probably more to the hectare on these flat plains than in any comparable area in Europe.

Every farm I visited was heavily stocked with milking cows or beef cattle, kept inside the year round and fed entirely on hay, hay silage, and grass grown on the farm with irrigation and supplemented by compound feeds.

The herds are nearly all of the black-and-white Friesian type, but not the smallish rounded cattle originating from Holland. The Italians are going strongly for the American and Canadian Holstein big-bellied bony cattle which have been adapted to milk well on dry feed and never to graze pastures as in Britain and northern Europe.

I saw a number of herds ranging from 45 to 400 milking cows and in only one did I think the cattle could have been better managed. The Holstein is to my eyes an ugly beast, but it delivers the goods in milk produced, and although its carcase is not as valuable as some others for beef, its productive advantages make it well worthwhile in this country.

The herds I saw were producing milk for Parmesan cheese. Its manufacture is a complicated business. It is only produced from April to November, on fresh feeds, and no silage can be used in the Parma area south of the River Po.

To the north another almost identical cheese is made, but maize silage is used to feed the cows and it has to be sold under another name.

The Parmesan cheese has to be seasoned for two years before being sold, which means a cashflow problem for the farmers. This is partly solved by using the whey — the by-product of cheese-making—for fattening pigs.

Many of the factories and farms had pig units producing pigs for the famous Parma hams. These pigs are fattened until they are about twice the weight of the British bacon pig.

The ham is cured by a 10-month process allegedly handed down from Roman times. The curing industry is centred in the Apennine foothills just south of Parma.

The cows produce the milk, the cheese, and the whey which feeds the pigs; and the pigs produce the manure, which fertilizes the crops, which feed the cows in the first place.

I was told that some 140 co-operatives and private operators were involved in what could be called this natural production cycle.

The best Parmesan cheese can apparently only be made from cows fed in the way I have described, and so milk for drinking in the area is imported from West Germany and France. I was told this imported milk never got into the cheese-making system.

The bull cows for beef came mostly from France and Germany and are fed as intensively as the cows. The farmers complained that they had to have these imports because the Holstein cows did not grow into the best beef animals.

The imported cattle I saw could not be faulted and it is an irony of modern economics that West Germany, the richest country in Europe, exports its best calves to Italy, which is the poorest.

A notable feature of the farms I visited was the number of new, well-designed buildings housing the cattle. I asked if these had been the result of the subsidies which were common in Italy 10 years ago. Not these days, I was told: money used to be available at 1 to 3 per cent, but now the cheapest subsidised interest rates were at about 9¾ per cent.

The farmers did not seem to think a very great deal of the Common Market. There was some help for seasoning the cheese, but Brussels was a distant city over the Alps and other countries closer to it seemed to be able to tap available funds before the Italians did.

In spite of this, it seemed to me that there was not much wrong with Po Valley farming.

Tuborg to be sold by Border

BORDER BREWERIES, Wrexham, North Wales, is to sell Tuborg, the Danish lager, by agreement with Tuborg Lager which has issued several UK regional franchises in recent months. Border, which has 170 tied houses and a distribution network in North and Mid-Wales, will also supply parts of Cheshire and Shropshire.

Border also sells Wrexham Lager, Heineken and Carling. Tuborg Lager has franchise agreements with Everard's of Leicester, Gibbs Mew of Salisbury and Forshaw's of Burtonwood. It expects to announce more agreements soon.

PRICE CHANGES

In tonnes unless stated otherwise	May 26 1983	+ or —	Month ago
Metals			
Aluminium	£950	......	£980
Free Mkt	$1515/1545	+70	$1598/420
Copper			
Cash h grade	£1096.5	—6.5	£1114
3 mths	£1125.25	—7	£1140.75
Cash Cathode	£1061	—7.5	£1084.5
3 months	£1091.5	—6	£1112.75
Gold troy oz	$440.00	—0.75	$429
Lead Cash	£269.25	—1.75	£295.25
3 months	£279.75	—1.5	£308.12
Nickel	£4525.5		£4853
Free mkt	220/240c	—10	215/240c
Palladium	$133.00	......	$121.50
Platinum	£288.05	—9.35	£266.20
Quicksilver†	$280/295	......	$285/295
Silver troy oz	836.20p	—4.10	755.60p
3 mths	856.70p	—4.90	773.45p
Tin cash	£8510	—130	£8855
3 month	£8572.5	—115	£8787.5
Tungsten	$86.58	......	$85.22
Wolfarm 22.04 lb	$87/90	......	$89/91
Zinc Cash	£453.5	—6.5	£461.5
3 mths	£467.75	—7	£476.75
Producers	$780	......	$750

	May 26 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$535y	+20	$600
Groundnut	$565y	......	‡
Linseed Crude	£515y	......	‡
Palm Malayan	$420w	+2.5	$435
Seeds			
Copra Phil	$440z	+20	$400
Soyabean (U.S.)	$257x	......	$260.40
Grains			
Barley Fut. Sep	£110.30	—0.2	£110.50
Maize	£146.50x	......	£146.00
Wheat Fut. Sep	£116.65	—0.51	£135.85
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1490	+58	£1336
Fut. July	£1449.5	+58	£1294.5
Coffee Ft. July	£1676	+2	£1695.5
Cotton A. Index	83.35c	+0.2	80.40c
Gas Oil June	$241.25	+2.25	$244.25
Rubber (kilo)	74.5p	—1.75	73.5p
Sugar (Raw)	£171yw	+8	£120
Wooltops 64s.	383p kilo	—2	394p kilo

‡ Unquoted. x June. w July. y May-June. z June-July. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-29.00	+0.25
Iranian Light	27.90-28.10	+0.15
Arabian Heavy	26.00-26.20	+0.15
North Sea (Forties)	29.30-29.50	+0.05
North Sea (Brent)	29.60-29.65	+0.12
African (Bonny L't)	29.60-29.80	—0.10
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	301-307	+2.0
Gas oil	238-246	+0.5
Heavy fuel oil	161-163	—

GAS OIL FUTURES

After opening slightly lower the market traded in a narrow range in thin volume through the morning. Strength in New York took prices to the highs and they remained steady during the rest of the day, reports Premier Man.

Turnover: 1,915 (2,019) lots of 100 tonnes.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	246.50	+5.50	246.50-44.00
June	241.25	+2.25	241.50-39.00
July	241.00	+2.25	241.25-38.75
Aug	243.25	+2.75	243.50-40.75
Sept	245.50	+2.75	245.75-42.75
Oct	248.00	+3.25	248.00-45.00
Nov	249.50	+2.25	250.00-48.00
Dec	254.00	+4.25	254.00-50.75
Jan	255.50	+3.50	—

GOLD MARKETS

Gold fell $¾ to $439½-440½ on the London bullion market yesterday. It opened at $441½-444½, and was fixed at $441¼ in the morning, and $440 in the afternoon. The metal touched a high of $442-442½, and a low of $439½-440½.

In Paris the 12½ kilo gold bar was fixed at FFr 106,750 per kilo ($444.30 per ounce), compared with FFr 106,750 ($444.33) in the morning, and FFr 105,500 ($439.21) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,455 per kilo ($443 per ounce), against DM 34,870 ($436.11) previously, and closed at $439½-440½, compared with $441½-442½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $441.25 per ounce, against $438.25.

In Zurich gold finished at $438-441, compared with $441-444.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
June	438.50-39.1	—2.900	442.50-38.5
July	442.00-43.0	—2.300	—
August	445.80-46.0	—2.550	449.00-45.5
Sept	449.00-50.0	—2.100	—
Oct	452.60-53.5	—2.050	456.20
Nov	455.50-56.5	—2.650	—
Dec	458.30-58.9	—3.500	462.30

	May 26		May 25	
Gold Bullion (fine ounce)				
Close	$439¼-440½	(£275¼-276)	$440¼-441¼	(£278-278¾)
Opening	$441½-444½	(£277¼-278)	$437¼-438¼	(£277¼-278)
Morning fixing	$441.25	(£277.080)	$437.60	(£277.513)
Afternoon fixing	$440	(£275.603)	$441.75	(£278.531)

Gold Coins May 25					
Krugrnd	$451¾-452½	(£282¼-282¾)	King Sov	$105½-107	(£66-67)
½ Krg	$232¾-233¾	(£145½-146)	Victoria Sov	$105½-107	(£66-67)
¼ Krg	$118½-119½	(£74-74¾)	French 20s	$87¾-89¾	(£54¾-56)
1/10 Krug	$48¼-49¼	(£30¼-30¾)	50 pesos Mex	$541-543	(£338-339¼)
Mapleleaf	$450½-451½	(£281½-282)	100 Cor. Aust	$430-434	(£268¾-271¼)
New Sov	$102½-103¼	(£64-64½)	$20 Eagles	$560-570	(£349¾-356¼)
½ New Sov	$61-63	(£38¼-39¼)			

EUROPEAN MARKETS

ROTTERDAM, May 26.

Wheat—(U.S. $ per tonne): U.S. Red Winter June 158, July 158, Aug 160, Sept 163, Oct 165. U.S. Two Northern Spring 14 per cent protein May 188.50, June 180, July 182, Aug 176, Sept 175, Oct 177, Nov 178. U.S. Three Amber Durum June 204, July 198, Aug 196, Sept 194, Oct 193, Nov 195.

Maize—(U.S. $ per tonne): U.S. Three yellow afloat 152, May 151, June 148, July 146, Aug 142.50, Sept 141, Oct/Dec 132, Jan/Mar 135 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two yellow Gulfports May 248.50, June 248, July 248.75, Aug 250.20, Sept 251.90, Oct 252.50, Nov 252.50, Dec 255.25, Jan 259.20, Feb 263.25, Mar 265.70 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 20, May 219, June 216, July 217, June/Sept 215, Oct 222, Oct/Nov 227, Nov/Mar 231 sellers. Pellets Brazil afloat 223, May 220, June 218.50, July 220, June/Sept 222 sellers. Pellets Argentine afloat 218, May 220, June 217, June/Sept 219 sellers.

PARIS, May 26

Cocoa—(FFr per 100 kg): May 1850/1720, July 1710/1800, Sept 1785/1790, Dec 1810 limit-up bid, March 1830 limit-up bid, May 1850 limit-up bid, July 1870 limit-up bid.

Sugar—(FFr per tonne): July 2380/2390, Aug 2385/2390, Oct 2495/2500, Nov 2505/2515, Dec 2585/2600, March 2725/2735, May 2810/2820, July 2830/2850.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were easier on the London Metal Exchange reflecting the further sharp rise in sterling. Copper dropped to £1,120 by the close of the late Kerb, while Lead was finally £279.25 and Zinc £468. Currency considerations also depressed Tin which fell away to £8,585 despite support from the buffer stock manager.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1096.5-7	—6.5	1096-1	—6.5
3 months	1126-.5	—8	1126-.5	—7
Settlem't	1097	—6.5	—	......
Cathodes				
Cash	1062.5-3.5	—3.5	1060-2	—7.5
3 months	1094-.5	—3.25	1091-2	—6
Settlem't	1063-.5	—5.5	—	......
U.S. Prod.	—	......	*84-87	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,127, 28, 27.50, 27, 27.50, 28.0, 27.50, 27, 28.50, 26, 26.50. Cathodes: Cash £1,063.50, three months £1,094, 94.50. Kerb: Higher Grade: Three months £1,127, 28, 28.50, 29, 28.50. Afternoon: Higher Grade: Three months £1,127, 26.50, 26, 25.50, 25, 27, 26, 25.50, 25. Kerb: Higher Grade: Three months £1,122, 21.50, 21, 21.50, 22, 21.50, 21, 20. Turnover: 34,250 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8515-20	—140	8505-15	—150
3 months	8585-90	—118	8575-80	—118
Settlem't	8520	—140	—	......
Standard				
Cash	8515-20	—140	8505-15	—150
3 months	8585-90	—118	8570-5	—115
Settlem't	8520	—140	—	......
Straits E.	‡$31.16	+0.20	—	......
New York	—			

Tin—Morning: Standard: Cash £8,530, 25, 20, three months £8,620, 30, 25, 30, 10, 8,590, 8,600, 8,595, 90. Standard: Kerb: Three months £8,570, 60, 50, 60, 50, 60, 70, 90. Afternoon: Standard: Three months £8,580, 50, 60, 65, 70, 60, 70. High Grade: Three months £8,575. Kerb: Standard: Three months £8,550, 55, 60, 65. Turnover: 4,730 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	269-.5	—1	269-.5	—1.75
3 months	280.5-1	—5.5	279.5-80	—1.5
Settlem't	269.5	—2	—	......
U.S. Spot	—	......	*20-24	......

Lead—Morning: Cash £269.50, three months £281, 80.50, 80. Kerb: Three months £280.50, 80, 79. Afternoon: Three months £280, 79.50, 79.25, 79.50. Kerb: Three months £278.50, 79. Turnover: 7,125 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	452-3	—8.75	453-4	—6.5
3 months	467.5-8	—7.5	467.5-8	—7
Settlem't	453	—8.5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Three months £467, 68, 67, 68, 69, 69.50, 69, 69.50, 68, 69, 68, 67.50. Kerb: Three months £468. Afternoon: Three months £468, 67.50, 68. Kerb: Three months £465, 65.50, 66. Turnover: 13,025 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	937-8	—18	932-3	—16
3 months	965-.5	—17.5	960.5-1	—16.5

Aluminium—Morning: Three months £968, 69, 69.50, 68, 67.50, 67, 66, 65.50, 65. Kerb: Three months £965, 64, 65. Afternoon: Three months £967, 64.50, 63.50, 63, 63.50, 62.50, 62, 61, 60.50, 60, 60.50. Kerb: Three months £960.50, 60, 61, 62, 63, 63.50. Turnover: 25,100 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3080-90	—87.5	3090-5	—75
3 months	3172-4	—88.5	3175-7	—82.5

Nickel — Morning: Three months £3,180, 75, 70, 72, 70, 65, 70, 72. Kerb: Three months £3,170, 75. Afternoon: Three months £3,170, 75, 80, 82, 85. Kerb: Three months £3,170, 75, 80, 75, 70. Turnover: 1,538 tonnes.

† On previous unofficial close.
* Cents per pound. ‡ M$ per kilo.

SILVER

LME—Turnover: 91 (144) lots of 10,000 ozs. Morning: three months 862.0, 59.0, 60.0. Kerb: untraded. Afternoon: three months 858.0, 59.0, 58.5. Kerb: three months 858.5.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	836.20p	—4.10	837.5p	—9.25
3 months	856.70p	—4.90	858.25p	—9.5
6 months	876.70p	—5.00	—	......
12months	916.50p	—5.70	—	......

Silver was fixed 4.1p an ounce lower for spot delivery on the London bullion market at 836.2p. U.S. equivalents of the fixing levels were: spot $13.352, up 7.7c; three-month $13.651, up 7.1c; six-month $13.954, up 8.2c; and 12-month $14.53, up 5c. It opened at 846½-849p ($13.48-$13.52) and closed at 843-845½p ($13.46-$13.50).

COCOA

After opening lower as due strong trade and commission house buying raised prices to limit-up and beyond and they reached contract highs before profit-taking eased prices slightly. Origins sold small quantities of physicals but offtake was negligible, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1407-20	+56.0	1422-38
July	1449-50	+58.0	1460-38
Sept	1457-60	+52.0	1475-39
Dec	1475-76	+50.0	1489-15
March	1480-82	+44.5	1501-1429
May	1487-92	+41.5	1510-1444
July	1497-15	+42.5	1510

Sales: 8,969 (3,777) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for May 26: 101.64 (97.32): five-day average for May 27: 98.09 (96.84).

COFFEE

During a fairly active session a volatile spot position emerged as the main feature, reports Drexel Burnham Lambert. Initial gains of £10-£15 attracted strong trade resistance and as sterling moved higher, dealer selling prompted a gradual retracement. Towards the close commission house buying fired a late rally for the market to finish on a steady note.

COFFEE	Yest'day's Close	+ or —	Business Done
May	2180-90	+82.5	2300-110
July	1675-77	+2.0	1690-55
Sept	1657-58	+15.5	1665-43
Nov	1625-27	+9.5	1626-12
January	1586-95	+8.0	1585-40
March	1551-55	+15.0	1555-45
May	1525-30	—2.5	1546-20

Sales: 4,387 (4,728) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for May 25, Comp. daily 1979: 128.05 (128.55): 15-day average 125.47 (125.31).

GRAINS

WHEAT Mnth.	Yestard'ys close	+ or —	BARLEY Yest'd'ys close	+ or —
July	134.85	—0.65	—	......
Sep	116.65	—0.10	110.30	—0.28
Nov	119.10	......	113.50	—0.19
Jan	122.50	—0.05	116.90	—0.30
Mar	125.65	—0.05	119.90	—0.40

Business done—Wheat: July 135.25-4.75, Sept 116.75-6.65, Nov 119.10-9.00, Jan 122.60 only, Mar 125.70-5.60. Sales: 77 lots of 100 tonnes. Barley: Sept 110.30-10.20, Nov 113.75-3.50, Jan 177.20 only, Mar untraded. Sales: 35 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring No 14 per cent June 130, July 127.25, Aug 125, Sept 123.25 transhipment East Coast. English feed fob Sept 119.50, Oct-Dec 122.50, Jan-March 126 East Coast. Maize: French June 146.50 transhipment East Coast. Barley: English feed fob July 10, Aug 112.50, Oct-Dec 117, Jan-March 121.75 East Coast, second half Aug 110.25, Sept 112.50, Oct 114.50 Peterhead. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S East £123.00, S West 128.00, W Mids 127.60, N West 126.20. The UK monetary coefficient for the week beginning Monday May 30 is expected to remain unchanged.

July wheat dropped 65p on long liquidation with new crops slightly easier in thin trading, reports Muirpace.

POTATOES

Strong buying after April fell through the £130 level on the opening lifted prices by over £10 before they eased on lighter volume at the close, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Nov	96.80	96.50	99.00-95.00
Feb	112.80	113.50	115.5-107.8
April	135.00	131.90	137.0-126.5
May	143.40	141.00	146.0-134.5
Nov	75.00	75.00	—

Turnover: 1,304 (996) lots of 40 tonnes.

RUBBER

The physical market opened about unchanged, drifted lower throughout the day and closed easy. Lewis and Peat reported a June fob price for No. 1 RSS in Kuala Lumpur of 242.5 (246.0) cents a kg and SMR 20 227.5 (229.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
July	749-750	765-770	749
Aug	745-760	763-770	—
Jly-Sept	745-746	760-761	—
Oct-Dec	747-748	778-780	774-747
Jan-Mch	765-765	795-794	781-765
Apl-Jne	778-779	807-809	798-778
Jly-Sept	793-795	822-823	—
Oct-Dec	810-812	838-842	—
Jan-Mch	828-835	855-862	—

Sales: 190 (454) lots of 15 tonnes, 3 (9) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 74.50p (76.25p); July 74.00p (75.00p); Aug 74.50p (75.50p).

SOYABEAN MEAL

The market opened weaker on long liquidation, reports T. G. Roddick. Prices remained defensive due to stronger sterling.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
June	139.10-39.7	—1.00	139.00
August	137.20-37.5	—1.50	137.70-37.50
October	138.80-40.1	—1.00	141.20-40.10
Dec	144.80-45.4	—1.35	147.20-45.30
Feb	149.50-50.4	—2.40	—
April	151.00-51.5	—2.15	—
June	151.80-52.1	—2.0	—

Sales: 128 (115) lots of 100 tonnes.

SPOT PRICES—Close (U.S. $ per tonne): Jun 424.00, 430.00; Aug 439.00, 444.00; Oct 449.00, 454.00; Dec 459.00, 471.00; Feb 470.00, 483.00; Apr 480.00, 493.00; Jun 488.00, 505.00. Sales: 0 lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £171.00 (£163.00) a tonne cif May-June-July shipment. White sugar £193.00 (£187.00).

The market quickly absorbed scattered profit-taking at the opening and began to move higher. Although the improvement of sterling acted as a brake later so that prices came back a little, by the close quotations were again around the highs, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Aug	183.60-85.75	175.25-76.0	184.50-74.50
Oct	192.75-96.00	183.75-85.8	194.25-84.00
Dec	198.25-98.40	181.25-81.5	199.50-87.00
Mar	207.25-07.50	201.00-01.7	209.75-07.75
May	210.00-11.25	205.00-06.2	213.00-07.25

Sales: 14,411 (9,741) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £281.50 (£273.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for May 25: Daily price 10.61 (10.43); 15-day average 9.02 (8.83).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 442 seller only, nil; Aug 449, 451, 451-450; Oct 449, 451, 452-450; Dec 447, 451, 452-449; Jan 450, 453, 453-452; Mar 459, 462, 463-460; May 463, 465, 466-464; Aug 475, 477, 476; Oct 475, 479, 478. Sales: 82.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 565.0, 568.0, 568.0-563.5; Oct 564.0, 566.0, 565.0-563.5; Dec 577.0, 578.0, 577.5-576.0; Mar 593.0, 594.0, 594.0-592.0; May 608.0, 608.0, 609.0; July 622.5, 630.0, 622.0-621.0; Oct 617.0, 620.0, 618.0. Sales: 119.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 107.88p per kg lw (+1.68). GB—Sheep 224.77p per kg est dcw (—15.48). GB—Pigs 73.59p per kg lw (—1.56).

SMITHFIELD—Pence per pound. Beef: Scottish Killed Sides 84.0 to 88.0; English Hindquarters 113.5 to 117.5, Forequarters 57.0 to 60.0. Veal: Dutch Hinds and Ends 118.0 to 125.0. Lamb: English Small 108.0 to 112.0, Medium 104.0 to 108.0, Heavy 102.0 to 104.0: Imported: New Zealand PL 59.0 to 59.5. Pork: English under 100 lb 37.5 to 52.0, 100-120 lb 42.0 to 51.5, 120-160 lb 38.5 to 47.0.

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: shelf cod £3.60-£5.00, codlings £2.30-£3.20; large haddock £4.20, medium £3.80-£4.50, small £1.80-£3.20; medium plaice £4.20-£5.00, best small £3.20-£4.20; skinned dogfish (large) £7.00, (medium) £3.50; lemon sole (large) £8.50, (small) £7.50; rockfish £1.80-£2.20; saithe £1.40.

INDICES

FINANCIAL TIMES

May 25	May 24	M'th ago	Y'ar ago
276.56	276.76	272.70	240.55

(Base: July 1 1952=100)

REUTERS

May 26	May 25	M'th ago	Y'ar ago
1830.5	1825.8	1772.1	1555.9

(Base: September 18 1931=100)

MOODY'S

May 25	May 24	M'th ago	Y'ar ago
1063.1	1061.7	1050.7	1001.4

(December 31 1931=100)

DOW JONES

Dow Jones	May 25	May 24	Month ago	Year Ago
Spot	146.66	146.44	141.98	124.80
Fut'rs	150.32	149.50	146.04	127.86

(Base: December 31 1974=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package, except where otherwise stated. Imported Produce: Satsumas—Uruguayan' 113/138 5.00-5.50. Topaz—Jaffa: 4.50-5.80. Tangors—Jaffa: 6.00-6.50. Oranges—Jaffa: Valencia Lates 56 6.40, 60 7.10, 75 7.50, 88 7.40, 105 6.10, 123 5.50, 144 4.70, 168 4.80; Moroccan: Valencia Lates 3.60-5.50; Cypriot: Valencia Lates 2.80-5.00; Outspan: Navels 56 5.50, 72 5.60, 88 4.80, 112 4.20, 138 3.80. Lemons—Spania: tray 5 kg 25/50 1.80-2.60; Jaffa: carton 4.50-5.80; Outspan: carton 5.50-7.00. Grapefruit — Cypriot 23/56 3.60-4.50; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 48 5.20, 56 5.00, 64 5.00, 75 4.80, 88 4.35; U.S.: Ruby 7.50-9.00 according to size; Outspan: 36 4.30, 40 4.30, 48 4.60, 56 4.30. Apples—New Zealand: 18 kg Red Delicious 9.00-10.00, Sturmer Pippins 10.50-11.75; Tasmanian: Jonathan 9.00-10.00; Western Australian: Granny Smith 10.50-11.50; Cape: 18 kg Golden Delicious 8.50-11.50, Starking/Starkcrimson 8.50-11.00, Granny Smith 9.00-11.50; U.S.: Red Delicious 10.00-11.50; Chilean: Granny Smith 18 kg 9.50-10.00, Starking 9.00-9.50; French: 18 kg Golden Delicious 5.00-6.50, Red Delicious 7.50-8.00, Granny Smith 9.00-10.00. Pears—Cape: 33 lb Packhams 7.50-9.00, Winter Nelis 6.00-8.00, Beurre Bosc 6.50-8.00; Australian: Packhams 40-lb boxes 10.00-10.80; Italian: Passacrassana 12/14 lb, per pound 0.08-0.16. Grapes—Cape: Barlinka 6.00-6.20, New Cross 9.00, Almeria 9.00; Chilean: Thompson 11 lb 7.40-7.80, Ribier 11 lb 4.80-5.00, Almeria 7.50-7.70. Apricots Spanish: 5 kg box 2.50-5.00. Peaches—Spanish: 4.00-7.00. Nectarines—Spanish: 6.00-8.00. Cherries—French: per pound 0.50-0.85. Strawberries—Spanish: 8 oz 0.30-0.45; Italian: 0.30-0.45; Belgian: 8-oz punnets 0.45-0.50. Watermelons—Spanish: 15 kg 4.00-6.00. Melons—Spanish: yellow 5 kg 5.00-7.00, Galia 5 kg 3.00-5.99, Spanish Charentais 4.50-5.00. Pineapples—Ivory Coast: As 1.40, 12B 0.90, 12C 0.65, 20s 0.45; Cape: 5/9s 5.00-7.00; Kenyan: 6s 1.60-1.80. Bananas — Colombian: 40-lb boxes 10.80-11.30. Avocados—Israeli: 2.00-3.00; South African: 3.50-4.00. Pawpaws—Brazilian: 6.00-7.00. Kiwifruit—U.S.: 12.00; New Zealand: 12.00. Mangoes—Mexican: box 8.00-8.50; Kenyan: 4.00-5.00; Guatemalan: 7.50-8.50. Asparagus—U.S.: per pound 1.50-1.85. Fennel—Italian: 20 lb 4.50. Beetroots—Cypriot: 20 lb 4.20-4.40. Tomatoes—Dutch: tray 4.00-4.20. Aubergines—Dutch: 5 kg 6.60; Italian: 4 kg 4.00-4.50. Onions—U.S.: 8.00-9.00; Canadian: 5.00-7.00; Dutch: 3.50-5.00; Tasmanian: 25-kg nets 8.50-9.00; New Zealand: 6.00-6.50; Spanish: Babosa 25-kg net 5.50-6.00; Egyptian: 25 kg nets 5.00. Capsicums—Dutch: yellow 14.00, green 9.00, red 15.00; Canary: red 12.00. Cabbages—Dutch: red 4.00-4.20, white 2.80-3.00. Courgettes—Kenyan: 6 lb 2.00; Spanish: 10 lb 3.50; Italian: 11 lb 3.50; Cypriot: 1.80; French: 11 lb 3.50.

AMERICAN MARKETS

NEW YORK, May 26.

Precious metals were featureless with light profit-taking as financial markets offered few incentives to the longs to aggressively pursue the buying side. Silver performed much better than gold, trading with moderate gains most of the day but still finishing fractionally lower. Copper came under pressure from light liquidation as the market failed to extend an early rally. Sugar prices closed again limit-up as poor crop conditions in the EEC and South Africa prompted short-covering. Cocoa prices were limit-up on unconfirmed reports that Ghana and the Ivory Coast suspended shipments and sales due to the prospective damage to the 1983 crop. Coffee prices were basically unchanged as the speculative buying ahead of the Brazilian frost season tapered off. Heating oil was sharply higher on reports of planned refinery closings by the end of the month; the price advance was intensified by strong technical support. Cotton prices were trading higher most of the day on fears of further acreage losses in the South-west and Delta areas; late in the day the market traded virtually unchanged. Soyabeans came under heavy selling pressure from local and professional traders which triggered stop-loss selling by commission houses; the reason for the sell off was fear of declining demand. Wheat also closed sharply lower on prospects of steadily improving yields. Maize found good professional and commission house support on indications that planting progress may be further delayed, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonne

	Close	High	Low	Prev
May	2225	—	—	2137
July	2110	2110	2110	2022
Sept	2151	2151	2151	2063
Dec	2181	2181	2181	2093
March	2205	2205	2205	2117
July	2250	2250	2250	2162

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
July	133.35	135.50	133.25	133.95
Sept	130.90	131.65	130.30	130.73
Dec	129.10	129.80	128.75	129.00
March	127.01	127.40	126.75	125.50
May	125.13	124.50	123.75	122.63
July	121.00	122.50	121.01	119.75
Sept	120.63	120.50	118.25	118.20

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
May	84.70	85.40	85.40	78.05
June	77.65	77.95	77.95	78.15
July	78.45	79.35	78.25	78.90
Sept	79.90	80.75	79.70	80.35
Dec	81.85	82.70	81.65	82.30
Jan	82.40	83.00	82.30	82.90
March	83.55	84.50	83.50	84.05
July	85.85	86.80	86.70	86.35
Sept	87.00	88.00	87.45	87.50

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
July	73.57	74.00	73.25	73.35
Oct	75.35	75.70	75.10	75.02
Dec	76.33	76.74	76.06	76.16
March	77.65	77.95	77.30	77.15
May	78.05	78.20	77.95	77.55
July	78.20	—	—	78.15
Oct	77.00	77.50	77.40	77.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
June	437.3	441.5	437.0	440.1
July	440.8	442.0	441.5	443.6
Aug	444.4	448.5	444.0	447.1
Oct	451.5	456.0	451.5	454.2
Dec	458.7	463.5	458.5	461.4
Feb	466.1	470.5	467.0	468.8
April	473.7	478.3	475.0	476.4
June	481.4	486.0	483.0	484.0
Aug	489.2	—	—	491.8
Oct	497.2	—	—	499.8
Dec	505.5	509.0	506.5	508.1
Feb	514.1	519.0	514.7	516.7

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
June	80.20	80.25	79.25	78.75
July	80.00	80.20	78.70	78.29
Aug	80.30	80.40	78.80	78.50
Sept	80.61	80.90	79.70	79.28
Oct	81.70	81.75	80.60	80.10
Nov	82.40	82.45	81.65	80.90
Dec	82.75	83.25	72.30	81.77

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
July	117.50	118.10	117.30	117.30
Sept	116.50	117.15	116.35	116.35
Nov	112.25	112.60	112.40	112.00
Jan	105.50	105.50	104.90	105.00
March	103.80	104.00	103.50	103.65
May	103.70	103.70	103.70	103.65
July	103.80	103.95	103.95	103.60
Sept	103.80	103.95	103.95	103.60

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	464.3	—	—	464.1
July	465.3	468.5	464.5	465.1
Oct	470.3	474.0	469.0	470.1
Jan	475.8	478.0	475.0	476.1
April	481.6	485.0	484.0	482.3
July	488.3	494.0	493.0	489.3

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	1462.5	—	—	1342.0
June	1341.0	1362.0	1336.0	1342.0
July	1352.0	1368.0	1347.0	1353.0
Sept	1373.0	1388.0	1368.0	1374.0
Dec	1406.5	1424.0	1403.0	1407.0
Jan	1417.5	—	—	1418.0
March	1440.5	1465.0	1442.0	1441.0
July	1485.5	1494.0	1490.0	1486.0
Sept	1508.5	—	—	1509.0

SPOT PRICES—Chicago loose lard 16.75 (same) cents per pound. New York tin 624-29.0 (622.0-29.0) cents per pound.

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
July	12.15	12.25	11.55	11.20
Sept	12.53	12.57	11.90	11.68
Oct	12.50	12.50	12.30	12.00
March	13.71	13.71	13.35	13.21
May	13.94	13.94	13.70	13.44
July	14.24	14.24	13.95	13.74
Sept	14.40	14.40	14.35	13.90
Oct	14.60	14.60	14.35	14.10

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
June	66.02	66.75	66.00	66.47
Aug	61.87	63.10	61.75	62.35
Oct	59.07	59.80	59.02	59.27
Dec	60.02	60.70	59.90	60.22
Feb	60.02	60.80	60.02	60.30
April	61.35	61.65	61.35	61.30

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
June	47.75	48.50	47.60	48.05
July	47.60	48.45	47.50	47.77
Aug	44.72	45.40	44.60	44.77
Oct	41.65	42.40	41.50	41.80
Dec	42.30	42.70	42.05	42.12
Feb	44.37	44.70	44.05	44.55
April	43.10	43.50	42.85	42.80
June	46.10	46.10	46.10	46.10
July	47.50	47.50	47.50	47.50

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
July	305.6	307.6	304.6	307.2
Sept	293.0	294.4	292.0	294.0
Dec	282.4	283.6	281.4	282.2
March	290.0	291.6	289.2	290.2
May	297.0	299.2	296.4	298.0
July	301.6	304.4	301.6	303.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
July	60.15	61.35	59.70	60.25
Aug	58.00	59.20	57.45	57.87
Feb	59.50	60.25	59.27	59.42
March	59.30	60.35	59.15	59.70
May	60.70	60.80	60.70	60.70
July	59.10	59.10	59.10	59.05
Aug	58.00	58.00	58.00	57.15

SOYABEANS 5,000 bu min. cents/60 lb bushel

	Close	High	Low	Prev
July	614.0	623.4	612.0	621.0
Aug	619.0	629.6	618.2	627.0
Sept	624.4	635.0	624.0	631.4
Nov	634.0	645.2	633.0	642.0
Jan	646.4	657.0	645.0	654.4
March	659.4	669.4	657.4	667.0
May	670.4	680.4	670.4	678.0
July	680.4	690.4	680.0	689.0
Aug	683.0	693.0	683.0	690.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	179.3	182.5	179.3	182.1
Aug	180.5	183.5	180.3	183.2
Sept	182.1	185.0	182.0	185.0
Oct	183.6	186.0	183.6	186.7
Dec	188.4	193.0	188.3	191.4
Jan	190.2	193.5	190.2	193.5
March	194.0	197.0	194.0	198.0
May	197.5	199.0	197.5	199.5
Aug	200.0	202.0	200.0	202.5

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
July	18.87	19.05	18.74	18.98
Aug	18.95	19.21	18.88	19.01
Sept	19.08	19.32	19.03	19.14
Oct	19.20	19.42	19.18	19.25
Dec	19.54	19.80	19.48	19.58
Jan	19.75	20.00	19.67	19.71
March	20.00	20.30	20.00	20.10
May	20.30	—	—	20.45
July	20.60	20.75	20.60	20.75

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
July	350.0	355.6	350.0	355.4
Sept	361.0	365.6	360.0	365.0
Dec	375.0	379.4	373.4	378.4
March	385.0	389.2	383.4	389.0
May	386.0	386.4	385.0	390.0
July	382.0	384.6	381.4	385.2

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99¾	98½	Treasury 9¼pc '83	99⅞	+1/32	9.26	10.15
102¼	100¼	Exch. 13¼pc '83	101¼	......	13.29	10.02
100¼	98¼	Exch. 10pc 1983	100xd	......	10.00	10.02
97⅛	96¼	Funding 5½pc '82-84‡‡	97¼	......	5.66	10.10
101¼	99½	Exch. 11¼pc 1984	100⅞	+1/32	11.18	10.21
104⅞	102½	Exchequer 14pc 1984	103¾	......	13.54	10.31
95¼	92½	Exch. 3pc 1984	95¼xd	+1/16	3.14	7.87
102¼	100⅛	Treasury 12pc 1984	102¼	......	11.74	10.11
107¼	105⅛	Treasury 15pc 1985	106¼	......	14.05	10.60
107	101¼	Exch. 12pc Cnv. '85	104	+⅛	11.54	9.50
91	88⅝	Treasury 3pc 1985	91	+1/16	3.29	7.98
102¼	99⅛	Treasury 11½pc 1985	101⅛	......	11.34	10.75
102	95	Treas 8¾pcCnv '85	97	−1/16	9.02	10.21
103⅝	100⅛	Exch. 12¼pc 1985	103	−⅛	11.89	10.81
102¼	99¼	Exch. 11¼pc '86	102	−⅛	11.51	10.84
88½	85⅝	Treasury 3pc 1986	87	+⅛	3.44	7.98
101¼	99¼	Exch. 10½pc Cv '86	100¼	−⅛	10.47	10.38
103¼	100¼	Treasury 12pc '86	102¼xd	−⅛	11.66	10.89
97½	94⅛	Treasury 8¼pc '84-86‡‡	95⅝	......	8.91	10.28
112¼	103¼	Treas. 12¼pc '86 Cnv.	109¼	−⅛	11.16	8.63
109¼	105½	Exch. 14pc 1986	108¼	−⅛	12.93	11.02
107¼	103⅝	Exch. 13¼pc 1987	106¼	−⅛	12.46	11.08
84¼	81	Exchequer 2½pc 1987	81¼	+1/16	3.08	8.49
100¼	95⅞	Exch. 10½pc 1987	98¼	−1/16	10.65	11.94
99⅝	97¼	Exch. 10½pc 1987A	98⅝	−1/16	10.67	11.00
93¼	89¼	Funding 6½pc '85-87‡‡	89⅞	......	7.27	9.81

Five to Fifteen Years

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1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
396	344	Initial	355	.....	†10.75	2.5	4.3	12.0
45	27	Inter-City 20p	35	.....	—	—	—	—
180	158	‡ Tech Sml 20p	175	.....	u4.0	1.8	3.3	24.3
208	165	Jacksons Bourne	175	.....	5.0	3.1	4.1	11.3
28½	19	James Inds. 10p	24	.....	1.25	♦	7.8	♦
160	110	♥Jardine M HK$5	115	+4	Q80c	♦	6.8	♦
34	18	Jenks & Cattell	32	.....	1.06	♦	4.7	♦
348	282	Johnson Clnrs.	307	+2	10.8	2.8	5.0	8.6
340	293	Johnson Mthy. £1	325xd	.....	10.0	1.9	4.4	(14.1)
360	228	Johnston Grp. 10p	360xd	+5	6.0	5.0	2.4	12.1
102	87	Jourdan (T.) 10p	98	.....	5.6	1.2	8.2	13.6
59	39	Kalamazoo 10p	51	.....	2.5	0.9	7.0	22.8
210	140	Kelsey Inds.	187	+4	8.0	1.7	6.2	12.7
140	110	Kershaw (A.) 5p	135	.....	15.0	0.6	15.9	(28.3)
54	39	Kleen-E-Ze Hldgs.	53	.....	t3.0	0.2	8.1	—
74	52	L.C.P. Hlds	69	.....	3.6	0.6	7.5	(40.3)
136	103	L.R.C. Int. 10p	123	.....	t3.1	2.0	3.6	20.8
30	17	Lamont Hldgs. 10p	29½	+½	1.3	1.8	6.3	11.6
39	26	Lawtex	39	.....	—	—	—	—
410	350	Lep Group 10p	350	.....	17.5	1.7	7.1	(10.2)
36	22	LMeshall 10p	33	.....	d1.0	—	4.3	—
700	125	Lon. & Liv. 10p	135xd	+6	5.5	♦	5.8	♦
128½	102	London & Mid'd	127	+1	7.75	1.1	8.7	(15.2)
80	55	Lon. & Nthn. Grp.	78	+5	4.0	♦	7.6	♦
40	27	‡Lon. Priv. Health	27	.....	—	—	—	13.5
9½	7½	Long Hmbly. 10p	9½	.....	[illegible]	—	—	—
65	46	Longton Inds.	56	+2	1.0	—	2.6	—
110	70	Low & Bonar 50p	94	.....	5.0	0.6	7.6	(40.4)
26	16	M.Y. Dart. 10p	22	+2	0.1	—	0.6	—
212	138	M'c'rthy Ph. 20p	141	+2	7.0	2.5	7.1	7.0
146	128	Macfarlane Gp.	141	.....	3.52	2.1	3.6	17.2
46	40	Maclellan 20p	40xd	.....	d1.5	1.6	5.4	14.4
63	48	Macpherson (D.)	58	.....	4.2	0.6	10.3	(36.2)
54	41	Magnolia Group	54	.....	2.3	3.2	6.1	6.3
180	65	Man. Ship Can. £1	133	.....	3.5	6.8	3.9	4.0
73	48	Marley	63	.....	2.5	0.5	5.7	(40.3)
37½	30½	Marling Ind. 10p	37½	+½	1.08	6.7	4.1	3.8
33	25	Marshall L'sy. 'A'	31	-1	1.2	—	5.5	—
68	44	Marshall's Univ	54	+2	[illegible]	—	—	♦

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1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	246	.....	Q70c	♦	21.9
21	16	Wankie Col. Z$1	21	.....	Q5c	0.7	14.0
28	18	Zam.Cpr SBD0.24	23	.....	—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	19	.....	—	—	—
		For Argosy Gld. Mines see Southern Ventures					
25	11	Balmoral Resources	20	.....	—	—	—
60	42	♥Black Hill Mins	49	-1	—	—	—
74	52	♥Bond Corp.	56½	.....	‡Q10c	2.3	10.9
156	116	♥Bougainville 1 Kina	150	.....	Q3 42c	1.2	1.4
*300	204	♥CRA 50c	300	+2	tQ3c	—	0.6
145	60	♥Carr Boyd 20c	88	+1	—	—	—
35	18	♥Central Pacific	25	.....	—	—	—

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 28

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling and dollar very firm

Continuing expectations of a Conservative victory in next month's election pushed sterling to its highest level since December against the D-mark, and against major currencies in general, and to the best since early January against the dollar. The Bank of England may have intervened to stem the pound's advance.

Firm interest rates underpinned the dollar, which rose to a record level against the French franc, and equalled the highest point touched against the D-mark this year.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. April average 1.5421. Trade-weighted index 86.6 against 86.3 at noon, 86.2 in the morning, 85.8 at the previous close, and 86.4 six months ago. Sterling's value on a trade-weighted basis is little different from six months ago, after a sharp fall in late March on oil price instability and fears of a devaluation by a future Labour Government. Concern about the oil market has faded into the background, while the large Conservative lead in the opinion polls as the election draws nearer has also dispelled fears of a deliberate devaluation.

Sterling opened at $1.5895-$1.5905, and fell to a low of $1.5875-1.5885 in the morning, before rising steadily to a peak of $1.6025-1.6035, and closing at $1.5995-1.6005. The pound rose to DM 3.9950 from DM 3.95, after touching DM 4.0050; to FFr 11.9725 from FFr 11.8450, after rising to FFr 12.00; to SwFr 3.32 from SwFr 3.29; and to Y378.75 from Y375.

DOLLAR — Trade-weighted index (Bank of England) 123.1 against 123.3 six months ago. The dollar has remained firm as recurring hopes of a steady reduction in the Federal Reserve discount rate have been repeatedly dashed.

The dollar climbed to DM 2.4950 from DM 2.49, equal to the highest level this year; to a record FFr 7.4835 from FFr 7.4710; to SwFr 2.0740 from SwFr 2.0725; and to Y236.55 from Y236.40.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. April average 2.4413. Trade-weighted index 128.6 against 126.3 six months ago. The D-mark showed signs of recovery recently, after staying weak against its EMS partners following the realignment of the system in late March.

The D-mark lost ground to the dollar and sterling at the Frankfurt fixing. The dollar rose to DM 2.4888 from DM 2.4877 without any intervention by the Bundesbank, after opening at DM 2.4860. Trading was quiet ahead of the Williamsburg Summit at the weekend, and the end of the month. Sterling was fixed at its highest level for 5½ months at DM 3.9650, compared with DM 3.9280, in anticipation of a Conservative election win. Within the EMS the Irish punt was fixed at its ceiling of DM 3.16, but the Bundesbank did not intervene.

FRENCH FRANC — Trading range against the dollar in 1983 is 7.4835 to 6.6060. April average 7.3190. Trade-weighted index 69.7 against 73.1 six months ago. The franc has weakened in common with other Continental currencies against the strong dollar, but is now trading fairly calmly within the EMS after a period when political unrest and an improvement by the D-mark threatened to put further pressure on the currency. High inflation and a poor trading performance compared with its major neighbour West Germany continue to keep the possibility of another devaluation only just below the horizon, however.

The franc weakened against the dollar at the Paris fixing, but no intervention by the Bank of France was detected. The U.S. currency was fixed at a record FFr 7.4730, against Fr 7.4710 on Wednesday, after opening at FFr 7.4665. The previous record was FFr 7.4720 at Tuesday's fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.4462	+1.21	+0.70	±1.5447
Danish Krone ...	8.14104	8.15461	+0.17	−0.34	±1.6425
German D-Mark	2.24184	2.27608	+1.53	+1.02	±1.0642
French Franc ...	6.87456	6.82732	−0.69	−1.20	±1.4052
Dutch Guilder ...	2.52595	2.55916	+1.31	+0.80	±1.4964
Irish Punt	0.72569	0.720450	−0.72	−1.23	±1.6699
Italian Lira	1403.49	1351.04	−3.74	−3.74	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 26	£	$		£ Note Rates
Argentina Peso..	127,500-127,600	79,800-79,850	Austria..........	27.90-28.20
Australia Dollar..	1.8120-1.8140	1.1330-1.1335	Belgium..........	79.00-79.80
Brazil Cruzeiro..	768.36-772.85	481.47-483.88	Denmark..........	14.20-14.34
Finland Markka..	8.7195-8.7440	5.4610-5.4630	France..........	11.85-11.95
Greek Drachma..	131.228-134.683	83.60-83.90	Germany..........	3.96-4.00
Hong Kong Dollar	11.26-11.30	7.055-7.075	Italy..........	2320-2360
Iran Rial..........	134.75*	85.25*	Japan..........	376-381
Kuwait Dinar (KD)	0.4645-0.4460	0.29140-0.29155	Netherlands..........	4.45-4.50
Luxembourg Fr..	79.67-79.77	49.81-49.83	Norway..........	11.30-11.40
Malaysia Dollar..	3.6650-3.6800	2.2970-2.2990	Portugal..........	153-171
New Zealand Dlr.	2.4060-2.4110	1.5040-1.5065	Spain..........	207¼-221½
Saudi Arab. Riyal	5.5025-5.6130	3.4500-3.4520	Sweden..........	11.93-12.03
Singapore Dollar	3.3350-3.3500	2.0900-2.0920	Switzerland..........	3.29-3.32
Sth. African Rand	1.7190-1.7215	1.0745-1.0760	United States..........	1.58½-1.60½
U.A.E. Dirham...	5.8565-5.8660	3.6720-3.6750	Yugoslavia..........	130-146

*Selling rates.

CURRENCY MOVEMENTS

May 26	Bank of England Index	Morgan Guaranty Change %
Sterling..........	86.6	−34.6
U.S. dollar..........	123.1	+12.3
Canadian dollar....	90.9	−17.5
Austrian schilling.	119.5	+29.6
Belgian franc.......	95.3	−2.6
Danish kroner.......	82.3	−12.2
Deutsche mark. ...	128.6	+56.2
Swiss franc.......	151.3	+107.2
Guilder..........	117.2	+85.1
French franc.......	69.7	−23.7
Lira..........	51.7	−59.4
Yen..........	147.5	+40.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average).

CURRENCY RATES

May 26	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.678683	0.572520
U.S. $	8½	1.08087	0.915170
Canadian$...	9.38	*	1.19430
Austria Sch	3¾	18.9466	15.9987
Belgian F ...	9½	53.7387	45.4462
Danish Kr ...	7½	9.63596	8.15461
D mark	4	2.69007	2.27608
Guilder	4½	3.02806	2.55916
French F......	9½	8.07734	6.82732
Lira	17	1597.80	1351.04
Yen	5½	255.356	215.782
Norwgn Kr...	9	7.70498	6.50906
Spanish Pta	—	149.809	125.584
Swedish Kr	8½	8.10653	6.85926
Swiss Fr ...	4	2.23773	1.89282
Greek Dr'ch	20½	N/A	76.6880

*C$/SDR rate for May 25: 1.33109.

THE POUND SPOT AND FORWARD

May 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5875-1.6035	1.5995-1.6005	0.17-0.12c pm	1.09	0.35-0.30 pm	0.81
Canada	1.9630-1.9770	1.9715-1.9725	0.13-0.03c pm	0.49	0.33-0.23 pm	0.57
Nethlnd.	4.43½-4.50½	4.48¾-4.49¾	2-1½c pm	4.67	5-4½ pm	4.23
Belgium	78.70-79.85	79.67-79.77	6c pm-4 dis	0.15	6 pm-4 dis	0.05
Denmark	14.15-14.33	14.29-14.30	2½-1½ore pm	1.57	2½-1½ pm	0.52
Ireland	1.2525-1.2675	1.2630-1.2645	0.51-0.64p dis	−5.46	1.48-1.63dis	−4.92
W. Ger.	3.94½-4.00½	3.99-4.00	2-1½pf pm	5.26	5¼-4¾ pm	5.01
Portugal	157.75-160.50	159.15-159.65	370-1555c dis	−72.46	740-2320dis	−38.39
Spain	220.00-222.25	221.75-222.00	230-285c dis	−13.93	710-800dis	−13.61
Italy	2,346-2,373	2,369½-2,371½	8-10 lire dis	−4.56	30¾-33¾dis	−5.44
Norway	11.32-11.45	11.40¾-11.41¾	3½-4½ore dis	−4.07	9½-10½ dis	−3.50
France	11.86-12.00	11.96¾-11.97¾	1¾-2¾c dis	−2.26	8½-10 dis	−3.08
Sweden	11.90-12.05	12.01½-12.02½	1½-1⅞ore dis	−1.43	3¾-4 dis	−1.21
Japan	374-380	378¾-379¾	1.70-1.50y pm	5.07	4.10-3.90 pm	4.22
Austria	27.80-28.20	28.10-28.15	14-12½gro pm	5.65	39¾-34¾ pm	5.24
Switz.	3.28½-3.33½	3.31½-3.32½	1¾-1½c pm	4.97	4½-4 pm	5.12

Belgian rate is for convertible francs. Financial franc 79.65-79.75. Six-month forward dollar 0.52-0.47c pm. 12-month 0.90-0.75c pm.

THE DOLLAR SPOT AND FORWARD

May 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5875-1.6035	1.5995-1.6005	0.17-0.12c pm	1.09	0.35-0.30 pm	0.81
Ireland†	1.2660-1.2715	1.2665-1.2675	0.62-0.54c pm	5.48	1.70-1.60 pm	5.19
Canada	1.2305-1.2330	1.2325-1.2330	0.02-0.05c dis	−0.34	0.06-0.09dis	−0.24
Nethlnd.	2.7940-2.8080	2.8060-2.8080	0.85-0.75c pm	3.42	2.42-2.32 pm	3.38
Belgium	49.62-49.89	49.81-49.83	2-3c dis	−0.60	8-9½ dis	−0.70
Denmark	8.9075-8.9525	8.9230-8.9280	0.60ore pm-0.10dis	0.33	0.20pm-0.60d	−0.07
W. Ger.	2.4835-2.4965	2.4945-2.4955	0.88-0.83pf pm	4.11	2.62-2.57 pm	4.16
Portugal	99.25-100.25	99.50-99.75	250-1000c dis	−75.28	400-1400dis	−36.13
Spain	138.50-138.75	138.70-138.75	150-190c dis	−14.73	470-540dis	−14.58
Italy	1,477-1,482½	1,481¼-1,482¼	6¾-7½ lire dis	−5.76	23-24½ dis	−6.42
Norway	7.1225-7.1310	7.1225-7.1275	2.80-3.20ore dis	−4.88	7.40-8.10dis	−4.35
France	7.4625-7.4900	7.4810-7.4860	2.10-2.25c dis	−3.49	7.20-7.70dis	−3.98
Sweden	7.5000-7.5200	7.5025-7.5075	1.30-1.80ore dis	−2.47	3.40-3.90dis	−1.94
Japan	235.75-236.75	236.50-236.60	0.58-0.53y pm	2.81	1.82-1.74 pm	3.01
Austria	17.52-17.56	17.53½-17.54½	7.10-6.30gro pm	4.58	21-19½ pm	4.50
Switz.	2.0665-2.0765	2.0735-2.0745	0.70-0.65c pm	3.90	2.27-2.22 pm	4.33

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.80-49.90.

EXCHANGE CROSS RATES

May. 26	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.600	3.995	378.8	11.975	3.320	4.493	2371.	1.972	79.72
U.S. Dollar	0.625	1.	2.497	236.7	7.483	2.075	2.808	1482.	1.233	49.83
Deutschmark	0.250	0.401	1.	94.81	2.997	0.831	1.125	593.4	0.494	19.95
Japanese Yen 1,000	2.640	4.224	10.56	1000.	31.61	8.766	11.86	6259.	5.207	210.5
French Franc 10	0.835	1.336	3.337	316.3	10.	2.773	3.752	1980.	1.646	66.59
Swiss Franc	0.301	0.482	1.203	114.1	3.606	1.	1.353	714.0	0.594	24.01
Dutch Guilder	0.223	0.356	0.889	84.31	2.665	0.739	1.	527.7	0.439	17.75
Italian Lira 1,000	0.422	0.675	1.685	159.8	5.051	1.401	1.895	1000.	0.832	33.63
Canadian Dollar	0.507	0.811	2.026	192.1	6.071	1.684	2.278	1202.	1.	40.43
Belgian Franc 100	1.254	2.007	5.011	475.1	15.02	4.165	5.636	2974.	2.474	100.

FINANCIAL FUTURES

Gilts below best

Volume in gilts was again over 3,000 lots on the London International Financial Futures Exchange yesterday. Trading was concentrated more in the September delivery month however as the June contract draws nearer to settlement. The September price opened at 105-27, and touched a high point of 106-02 as sterling continued to show a very strong performance on the foreign exchanges. Although the pound remained in heavy demand throughout the day on expectations that the Conservatives will be returned for another term of Government after the election on June 9, cash prices failed to follow on from the initial advance. This also halted the steady rise on Liffe, with September finishing only slightly above the day's low at 105-19, compared with 105-10 on Wednesday.

The September three-month sterling interest rate contract closed unchanged at 90.14, after opening at the day's high of 90.20. The early morning level was also encouraged by the pound's strength on the foreign exchanges, but eventually succumbed to the lack of movement in interest rates on the London money market. Overall sentiment on the money market remains bullish, but trade tends to be hamstrung by recent money supply figures in Britain and the U.S. which do not appear to point towards any sustained downward move in rates. At the moment only political motivation would seem likely to produce a reduction in the Federal Reserve discount rate or London clearing bank base rates.

September Eurodollars closed at the day's low of 90.41, compared with an opening level of 90.46, and the previous close of 90.58.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.78	90.79	90.75	90.88
Sept	90.41	90.46	90.41	90.58
Dec	90.18	90.22	90.18	90.35
March	89.98	90.02	89.98	90.16
June	89.72	—	—	89.92

Volume 1,940 (1,453)
Previous day's open int. 4,663 (4,835)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	89.90	89.94	89.90	89.94
Sept	90.14	90.20	90.10	90.14
Dec	90.06	90.10	90.02	90.08
March	89.87	—	—	89.89
June	89.71	—	—	89.70

Volume 851 (1,085)
Previous day's open int. 3,737 (3,715)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-29	106-08	105-26	105-17
Sept	105-19	106-02	105-16	105-10
Dec	107-11	107-16	107-11	106-21
March	107-00	—	—	106-07
June	106-21	—	—	105-28

Volume 3,100 (3,107)
Previous day's open int. 4,083 (3,655)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 0 to 06 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5938	1.5968	1.5890	1.5858
Sept	1.5910	1.5938	1.5860	1.5825
Dec	1.5895	1.5895	1.5895	1.5800

Volume 1,339 (1,106)
Previous day's open int. 2,834 (3,018)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4018	0.4026	0.4014	0.4026
Sept	0.4063	0.4067	0.4063	0.4072
Dec	—	—	—	—

Volume 82 (87)
Previous day's open int. 557 (598)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4826	0.4834	0.4823	0.4836
Sept	0.4887	—	—	0.4896
Dec	—	—	—	—

Volume 24 (53)
Previous day's open int. 471 (468)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4233	0.4236	0.4230	0.4240
Sept	0.4268	—	—	0.4273
Dec	—	—	—	—

Volume 39 (73)
Previous day's open int. 388 (371)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-03	76-12	75-25	76-06
Sept	75-16	75-26	75-07	75-22
Dec	75-00	75-10	74-25	75-07
March	74-18	74-29	74-13	74-26
June	74-08	74-18	74-05	74-15
Sept	73-29	74-07	73-29	74-05
Dec	73-21	73-25	73-19	73-29
March	—	—	—	73-22
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.41	91.44	91.36	91.45
Sept	91.19	91.23	91.12	91.23
Dec	90.99	91.02	90.94	91.01
March	90.80	90.87	90.77	90.81
June	90.62	90.62	90.59	90.64
Sept	—	90.44	90.44	90.47
Dec	90.25	90.26	90.25	90.28
March	—	—	90.10	90.12

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.97	91.03	90.93	91.05
Sept	90.60	90.67	90.56	90.69
Dec	90.35	90.41	90.34	90.42

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.45	90.51	90.41	90.53
Sept	90.11	90.19	90.07	90.20
Dec	89.89	89.95	89.86	89.96
March	89.69	89.74	89.67	89.74

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.6015	1.6040	1.5915	1.5880
Sept	1.6010	1.6015	1.5895	1.5830
Dec	1.6000	1.6000	1.5875	1.5810
March	1.6000	1.6000	1.5920	1.5805
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-22	70-00	69-12	69-29
Sept	69-02	69-12	68-23	69-09
Dec	68-13	68-23	68-04	68-21
March	67-27	68-05	67-20	68-03
June	67-10	67-21	67-09	67-20
Sept	66-30	67-02	66-30	67-07
Dec	66-19	66-19	66-18	66-28
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

COMPANY NOTICE

THE RIO TINTO-ZINC CORPORATION PLC

NOTICE

To holders of Warrants to Bearer

ORDINARY SHARES OF 25P EACH

NOTICE IS HEREBY GIVEN that a Final dividend of 10.5p per Share will be paid on the 1st July, 1983 in respect of the year ended 31st December, 1982. Payment of this dividend will be made after presentation of Coupon No. 46 at any of the undermentioned offices of payment.

3.5% "B" CUMULATIVE PREFERENCE SHARES OF £1 EACH

NOTICE IS HEREBY GIVEN that a dividend of 1.75p per Share will be paid on the 1st July, 1983 in respect of the half-year ending 30 June 1983. Payment of this dividend will be made after presentation of Coupon No. 42 at any of the undermentioned offices of payment.

OFFICES OF PAYMENT

The Rio Tinto-Zinc Corporation PLC, (Registered Office), 6 St. James's Square, London SW1Y 4LD.

L'Europeenne de Banque, 21 Rue Laffitte, 75428 Paris, France

Societe Generale de Banque, 3 Montagne du Parc, 1000 Brussels, Belgium

Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg.

Union Bank of Switzerland, Bahnhofstrasse 45, CH 8021 Zurich, Switzerland.

The Rio Tinto-Zinc Corporation PLC, (Transfer Office), Central Registration Limited, 1 Redcliff Street, Bristol BS1 6NT.

Banque Bruxelles Lambert S.A., 24 Avenue Marnix, 1050 Brussels, Belgium.

Banque Generale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg.

Societe de Banque Suisse, CH 4002 Basle, Switzerland.

Credit Suisse, Secretariat Z, P.O. Box 8021, Zurich, Switzerland.

Under the imputation tax system in force in the United Kingdom these dividends will be payable without deduction of United Kingdom tax and for Shareholders resident in the United Kingdom, will carry a tax credit calculated by reference to the basic rate of income tax applicable at the date of payment. Where a double tax agreement so provides, Shareholders resident outside the United Kingdom will obtain a tax credit, against which some United Kingdom tax may fall to be offset.

Coupons, which must be listed on special forms, which can be obtained on or after Friday, 3rd June 1983 at any of the above offices, may be deposited on or after Monday, 6th June 1983. Coupons presented for payment in the United Kingdom must be left FIVE CLEAR DAYS for examination.

Shareholders should note that under the Company's Articles of Association adopted on 20th May 1970, provision is made for the forfeiture of the above dividends if not claimed within 12 years from the 28th May, 1983.

BY ORDER OF THE BOARD.

L. A. BRODER, Assistant Secretary

6 St. James's Square, London SW1Y 4LD

27th May, 1983

CONSOLIDATED COMPANY BULTFONTEIN MINE, LIMITED

GRIQUALAND WEST DIAMOND MINING COMPANY, DUTOITSPAN MINE, LIMITED

(Both incorporated in the Republic of South Africa)

DECLARATION OF DIVIDENDS

NOTICE IS HEREBY GIVEN that the directors of the abovementioned companies have declared dividends in respect of the six months ending 30th June, 1983, payable to shareholders registered in the books of the respective companies on 24th June, 1983. The dividends have been declared in the currency of the Republic of South Africa.

Warrants will be posted from the Kimberley and the United Kingdom offices of the transfer secretaries on or about 28th July, 1983. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 27th June, 1983 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the companies' transfer secretaries in Kimberley or in the United Kingdom on or before 24th June, 1983.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London Offices of the companies and also at the offices of the companies' transfer secretaries in Kimberley and the United Kingdom.

Company	South African Currency Per Share
Consolidated Company Bultfontein Mine, Limited	5 cents
Griqualand West Diamond Mining Company, Dutoitspan Mine, Limited	22 cents

By Order of the Boards
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. GREENSMITH

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27th May, 1983

MONEY MARKETS

London rates easier

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Interest rates were slightly easier on the London money market yesterday, reflecting the continuing sentiment in the City on expectations of a further term of office for the Conservatives after the June 9 election. Recent money supply figures in Britain and the U.S. are tending to restrict movement in rates however, since these do not point to a reduction in bank base in the near future.

The Bank of England forecast a money market shortage of £300m in the morning, but this was revised to £250m at noon, and to £150m later in the day. Total help provided by the authorities amounted to £130m.

In the morning the Bank of England gave assistance of £52m by buying £47m bank bills in band 2 (15-33 days maturity) at 10 per cent, and £5m bank bills in band 4 (64-84 days) at 9⅞ per cent.

After lunch the authorities purchased another £78m bank bills, by way of £2m in band 1 (up to 14 days) at 10 1/16 per cent, and £76m in band 2 at 10 pc.

Overnight money opened at 10¼-10½ per cent, in the interbank market, and remained around that level for most of the morning, before falling to a low of 10 per cent, but finishing firm at 13 per cent.

In Amsterdam call money rose to 5¼-5⅜ per cent from 3¾-4¼ per cent, and touched a peak of 5⅜-5⅝ per cent when the Dutch National Bank did not renew a seven-day special advance of Fl 2.457bn allocated last week. Payment next Monday for a Treasury bill tender announced Wednesday is likely to lead to tighter conditions however, prompting speculation that a new special advance may be announced some time next week. Yesterday's shortage was estimated to be in the region of Fl 3.5bn, but the upward trend in rates was partly influenced by firmer interest rates in West Germany, following an easing of the D-mark against the dollar on the foreign exchanges.

LONDON MONEY RATES

May 26 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	10 13	10⅛-10¼	—	—	10¼-10½	9¾-10¼	—	—	—
2 days notice .	—	—	10⅛-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice ..	—	10¼-10⅜	10¼	—	—	10½	10-10¼	—	—	—
One month......	10⅛-10 1/16	10 3/16 10⅜	10 3/16	10¾-10½	10⅜	10½	10-10⅛	10-10 1/32	10 1/16	10 11/16
Two months ...	10 3/16 10 1/16	10¼ 10⅜	10¼	10¾-10½	10⅜	10½	9⅞	9 15/16	9 31/32	10⅝
Three months.	10¼ 10⅛	10¼ 10⅜	10¼	10⅝-10⅜	10⅜	10½	9¾-9⅞	9 13/16-9⅞	9 31/32	10 7/16
Six months......	10⅛ 10	10¼-10⅜	10¼	10⅛ 9⅞	10⅜	—	—	—	9⅝-9 11/16	10⅛
Nine months...	10⅛ 10	10 3/16-10 5/16	10¼	10⅝-10⅜	10 7/16	—	—	—	—	—
One year	10⅛-10	10 3/16-10 5/16	10¼	10½-10¼	10 7/16	—	—	—	—	—
Two years.	—	—	10⅞	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period April 6 to May 3 1983 (inclusive): 10.304 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11 per cent; four years 11⅛ per cent; five years 11½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four month bank bills 9 25/32-9⅞ per cent; four months trade bills 10⅜ per cent.

Approximate selling rate for one month Treasury bills 9 15/16-10 per cent; two months 9 29/32-9⅞ per cent; three months 9¾-9 29/32 per cent. Approximate selling rate for one month bank bills 10 3/32 per cent; two months 9⅞ per cent and three months 9 15/16 per cent; trade bills one month 10 25/32 per cent; two months 10⅝ per cent and three months 10 9/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¼ per cent.

Treasury Bills: Average tender rates at discount 9.8191 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-12 months 10¾ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¾ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 26	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling.........	10¼-10⅜	10 3/16-10 5/16	10¼-10⅜	10¼-10⅜	10¼-10⅜	10 5/16 10 7/16
U.S. Dollar....	8¾ 9	8⅞-9⅛	8 13/16-9 1/16	9 1/16-9 3/16	9 3/16 9 5/16	9 7/16-9 9/16
Can. Dollar...	8¼ 8¾	9⅛-10¼	9⅜-9⅝	9⅜-9⅝	9 9/16 9 13/16	9⅝ 9⅞
D. Guilder	5⅛-5⅜	5⅜-5⅝	5⅜-5½	5 5/16-5 7/16	6⅜-6½	6⅞-7
S. Franc.......	3-3¼	9¼-9⅛	4⅞-5	4⅞-5	4 11/16 4 13/16	4 15/16-5 1/16
Deutschm'rk	4 11/16-4 13/16	4⅞ 4½	4 15/16-5 1/16	5⅛-5 3/16	5¼-5⅜	5 7/16-5 9/16
Fr'nch Franc	12-12¼	12⅛-12⅜	12¼-12½	13-13¼	16⅛-16⅜	17-17¼
Italian Lira...	13½-15	13⅞-14⅛	14¾-15⅜	16⅝ 16⅛	16⅞-17⅜	18-18¾
Belg. Franc..						
Conv..........	9-9½	9 9½	9⅛-10	9¾-10¼	10-10½	10¼ 10¾
Fin..........	9½-10	9¾ 10	9⅞-10⅛	10-10¼	10⅛-10⅜	10¼ 10½
Yen	6⅛-6¼	6¼-6⅜	6 5/16-6⅜	6 5/16-6⅜	6 7/16-6 9/16	6⅜-6½
D. Krone......	4¼-4¾	4⅞ 5⅜	9⅛-10	10 10⅛	10¾ 11¼	11⅜-11⅞
Asia $ (Sing.)	8⅞-9	9-9⅛	9-9⅛	9¼-9⅜	9 3/16-9 5/16	9 7/16 9 9/16

FT LONDON INTERBANK FIXING

11.00 a.m. MAY 26

3 month U.S. dollars		6 month U.S. dollars	
bid 9 1/4	offer 9 3/8	bid 9 7/16	offer 9 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)	8⅝
Treasury bills (13-week)	8.55
Treasury bills (26-week)	8.58

GERMANY

Lombard	5.0
Overnight rate	5.025
One month	5.25
Three months	5.35
Six months	5.40

FRANCE

Intervention rate	12.5
Overnight rate	12.25
One month	12.4375
Three months	12.5
Six months	12.625

JAPAN

Discount rate	5.5
Call (unconditional)	6.21875
Bill discount (3-month)	6.59375

SWITZERLAND

Discount rate	4
Overnight rate	3-4
One month	[illegible]
Three months	[illegible]

NETHERLANDS

Discount rate	4½
Overnight rate	5¼-5½
One month	5½-5¾
Three months	5¾-5⅞
Six months	6⅛-6¼

$ CERTIFICATES OF DEPOSIT

One month	8.80-8.90
Three months	8.95-9.05
Six months	9.20-9.30
One year	9.25-9.45

LONG TERM EURO $

Two years	10½-10¾
Three years	10¾-11
Four years	11-11¼
Five years	11¼-11½

SDR LINKED DEPOSITS

One month	8 9/16-8 11/16
Three months	8 7/16-8 13/16
Six months	8 13/16-9 3/16
One year	9 1/16-9 5/16

ECU LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday May 25 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.50
Albania	Lek	6.3944
Algeria	Dinar	4.7495
Andorra	Fr. Franc	7.4715
	Sp. Peseta	138.85
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (f)	77905.
Australia	Dollar	1.1344
Austria	Schilling	17.5175
Azores	Port. Escudo	99.60
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is.	Sp. Peseta	138.85
Bangladesh	Taka	24.15
Barbados	Dollar	2.0113
Belgium	Franc (C)	49.6375
	Franc (F)	49.745
Belize	Dollar	2.00
Benin	C.F.A. Franc	373.575
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	10.026
Bolivia	Peso (c)	44.00
	Peso (f)	198.00
Botswana	Pula	1.0541
Brazil	Cruzeiro	482.67
Brunei	Dollar	2.093
Bulgaria	Lev	0.967
Burma	Kyat	7.8766
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	373.575
Canada	Dollar	1.2314
Canary Is.	Sp. Peseta	138.85
Cape Verde Is.	Escudo	67.745
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	373.575
Chad	C.F.A. Franc	373.575
Chile	Peso (O)	75.76
China	Renminbi Yuan	1.9889
Colombia	Peso (O)	76.64
Comoros	C.F.A. Franc	373.575
Congo P'ple. Rep. of	C.F.A. Franc	373.575
Costa Rica	Colon (O)	40.25
	Colon	40.00
Cuba	Peso	0.8434
Cyprus	Pound*	1.9448
Czechoslovakia	Koruna (O)	6.20
Denmark	Krone	8.9067
Djibouti Rp. of	Franc	177.72
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O) (10)	42.875
	Sucre (F)	78.50
Egypt	Pound* (O)	1.4286
	Pound*	1.2107
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	277.70
Ethiopia	Birr (O)	2.026
Faeroe Is.	Dan. Krone	8.9067
Falkland Is.	Pound*	1.5795
Fiji	Dollar	1.0157
Finland	Markka	5.4565
France	Franc	7.4715
Fr. C'ty in Af.	C.F.A. Franc	373.575
Fr. Guiana	Franc	7.4715
Fr. Pac. Is.	C.F.P. Franc	135.845
Gabon	C.F.A. Franc	373.575
Gambia	Dalasi	2.5325
Germany (E)	Ostmark (O)	2.488
Germany (W)	Mark	2.488
Ghana	Cedi	2.75
Gibraltar	Pound*	1.5795
Greece	Drachma	84.18
Greenland	Dan. Krone	8.9067
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	7.4715
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.7324
Guinea Rep.	Syli	22.8521
Guyana	Dollar	2.9449
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	7.12
Hungary	Forint	41.7569
Iceland	Krona	22.585
India	Rupee	10.026
Indonesia	Rupiah	969.50
Iran	Rial (O)	85.4454
Iraq	Dinar	0.2925
Irish Rep	Punt*	1.2699
Israel	Shekel	43.94
Italy	Lira	1477.00
Ivory Coast	C.F.A. Franc	373.575
Jamaica	Dollar (c)	1.7855
	Dollar (f) (1)	2.725
Japan	Yen	235.67
Jordan	Dinar	0.3583
Kampuchea	Riel	n.a.
Kenya	Shilling	13.0147
Kiribati	Aust. Dollar	1.1344
Korea (Nth)	Won	0.94
Korea (Sth)	Won	767.00
Kuwait	Dinar	0.2917
Lao P'pls D. Rep	Kip	10.00
Lebanon	Pound	4.1937
Lesotho	Loti	1.0795
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.0705
Luxembourg	Lux Franc	49.6375
Macao	Pataca	7.40
Madagascar D. R.	Franc	396.00
Madeira	Port. Escudo	99.60
Malawi	Kwacha	1.1232
Malaysia	Ringgit	2.30
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp.	Franc	747.15
Malta	Pound*	2.3896
Martinique	Franc	7.4715
Mauritania	Ouguiya	53.95
Mauritius	Rupee	11.1088
Mexico	Peso (5)	149.50
	Peso (6) (cont'd)	115.12
Miquelon	Fr. Franc	7.4715
Monaco	Fr. Franc	7.4715
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	6.7022
Mozambique	Metica	29.1079
Namibia	S.A. Rand	1.0795
Nauru Is.	Aust. Dollar	1.1344
Nepal	Rupee	14.30
Netherlands	Guilder	2.7945
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	1.5117
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	373.575
Nigeria	Naira (O)	0.6896
Norway	Krone	7.1385
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	12.9078
Panama	Balboa	1.00
Papua N.G.	Kina	0.8518
Paraguay	Guarani (o) (2)	126.00
	Guarani (m) (2)	160.00
Peru	Sol	1378.48
Philippines	Peso	10.055
Pitcairn Is.	N.Z. Dollar	1.5117
Poland	Zloty (O)	86.85
Portugal	Escudo	99.60
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	7.4715
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.5795
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	7.4715
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	1.5576
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1477.00
Sao Tome & Principe DR	Dobra	38.3395
Saudi Arabia	Riyal	3.405
Senegal	C.F.A. Franc	373.575
Seychelles	Rupee	6.6972
Sierra Leone	Leone (o) (3)	1.26
	Leone (c) (3)	2.50
Singapore	Dollar	2.093
Solomon Is.	Dollar	1.1313
Somali Rep	Shilling	15.2746
South Africa	Rand	1.0795
Spain	Peseta	138.85
Span. Ports in N. Africa	Sp. Peseta	138.85
Sri Lanka	Rupee	22.955
Sudan Rep.	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.0795
Sweden	Krona	7.5055
Switzerland	Franc	2.0705
Syria	Pound	3.925
Taiwan	Dollar (O)	39.97
Tanzania	Shilling	9.60
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	373.575
Tonga Is.	Pa'anga	1.1344
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.669
Turkey	Lira	212.10
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1344
Uganda	Shilling (1st)	128.96
	Shilling (2nd)	277.75
Utd. A'b. Emir.	Dirham	3.6726
Utd. Kingdom	Pound Sterling*	1.5795
Upper Volta	C.F.A. Franc	373.575
Uruguay	Peso	31.875
U.S.S.R.	Rouble	0.723
Vanuatu	Vatu	96.5131
	Aust. Dollar	1.1344
Vatican	Lira	1477.00
Venezuela	Bolivar (7)	4.2938
	Bolivar (8)	6.00
	Bolivar (9)	9.925
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.605
Yemen PDR	Dinar	0.3455
Yugoslavia	Dinar	82.9773
Zaire Rp.	Zaire	5.6777
Zambia	Kwacha (4)	1.1849
Zimbabwe	Dollar	0.9718

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Jamaica two-tier FX rate exists, Comm and Fin. (2) Paraguay operates a two-tier system. o=imports, exports and government transactions, m=all other transactions. (3) Sierra Leone: (o) for essential imports: Commercial fortnightly auction of FX. (4) Zambia: Jan 9 20 per cent devaluation against SDR. (5) Mexico: Freemarket rate. (6) Mexico: Controlled rate covering imports, exports and some debt repayments. (7) Venezuela—three-tier system has been developed. This rate is for all essential imports. (8) Venezuela: Non-essential import rate. (9) Venezuela: Floating rate for tourists. (10) Ecuador devalued by 21 per cent.